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Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2014

Report of the Secretary-General**

Addendum

Summary

The present report is submitted pursuant to General Assembly resolution 48/216 B, in which the executive heads of the United Nations funds and programmes were requested to report to the Assembly at the same time as the Board of Auditors submitted its recommendations on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly the responses of the executive heads of the funds and programmes, namely the International Trade Centre, the United Nations University, the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the Office of the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia.

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* A/70/150.

** The present report was submitted late owing to the long process of obtaining inputs from the United Nations funds and programmes.

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The present report provides information further to the comments already submitted to the Board of Auditors, which in some cases were included in the Board's final reports to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations and some of their comments have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments from the executive heads only where required. It also provides information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the respective reports of the Board, as well as an update on the status of implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented.

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I. Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes to provide their responses, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In the preparation of the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution 52/212 B, and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly (A/52/753);

(b) Resolution 69/249 A, in which the Assembly, in paragraph 17, reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board of Auditors and the related recommendations of the Advisory Committee in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for completion of the implementation of recommendations. However, in some cases the executive heads consider them to be ongoing tasks for which target dates for completion cannot be set.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main recommendations". While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be given the highest priority.

5. The executive heads have concurred with most of the Board's recommendations and some of their comments have been duly reflected in the respective reports of the Board of Auditors. In accordance with paragraphs 18 and 19 of resolution 69/249 A, information is provided for all recommendations relating to prior periods that the Board considered not to have been fully implemented.

II. International Trade Centre

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[1]

6. The status of implementation of the main recommendations as at August 2015 is summarized in table 1.

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[1] A/70/5 (Vol. III), chap. II.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	4	–	–	4	4	–
Office of the Executive Director and Division of Programme Support	2	–	–	2	2	–
Total	**6**	**–**	**–**	**6**	**6**	**–**
Percentage	**100**			**100**		

7. The status of implementation of all recommendations as at August 2015 is summarized in table 2.

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	6	–	–	6	6	–
Office of the Executive Director and Division of Programme Support	2	–	–	2	2	–
Total	**8**	**–**	**–**	**8**	**8**	**–**
Percentage	**100**			**100**		

8. **In paragraph 13, the Board recommended that the International Trade Centre (ITC) establish sufficient management review processes to ensure accurate and complete data transfer between Umoja and the Integrated Management Information System (IMIS), and that adequate audit trails are created to support the preparation of financial statements in 2015.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

9. The United Nations Secretariat is establishing systems and procedures to transfer data between Umoja and IMIS. ITC will review these procedures to ensure completeness of the transfers.

10. **In paragraph 16, the Board recommended that ITC further embed the understanding of the International Public Sector Accounting Standards (IPSAS) within the business through further targeted training, in particular**

ensuring that year-end transactions are appropriately dated so that they are accounted for in the correct reporting period.

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

11. ITC has conducted numerous in-house trainings both in 2014 and in the first half of 2015. It is also planning for some additional training in the second half of 2015.

12. **In paragraph 21, the Board recommended that ITC use the benefits realization plan and the improved financial information derived from IPSAS to inform and manage financial risks.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

13. There were some immediate benefits realized from the implementation of IPSAS. For example, fixed assets have been streamlined and the related data have become more accurate, which has enabled ITC to conduct proper planning for its future capital expenditure. However, ITC understands that this is an ongoing process and it will continue to gradually realize and use the benefits derived from IPSAS implementation.

14. **In paragraph 24, the Board recommended that ITC develop a fraud risk assessment to identify areas susceptible to fraud risk, and consider the current mitigations to manage this risk. Further, management should utilize improved functionality in Umoja and the consultant database to produce exception reports to support management review.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

15. ITC will embrace the improved functionally of Umoja as it becomes available and implement a management-level reporting tool within the consultant database.

16. **In paragraph 44, the Board recommended the further review of costs attributable to projects and to identify valid costs that can be directly allocated to projects in line with a clear methodology. ITC should use the new functionalities of Umoja and the next phase of the project portal programme to**

build better data to inform management's decisions on how programme support costs are identified, the rate at which they should be recovered and to inform a costing strategy.

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

17. ITC has designed an overarching methodology for better capturing valid project costs. This methodology will be applied across the design, set-up and deployment of Umoja as well as the second and third phases of the new project portal. The first phase of the project portal was launched in July 2015. ITC aims to have a full costing approach implemented across both platforms by the end of 2016.

18. **In paragraph 46, the Board recommended that ITC clear aged balances held on projects through repayment or reinvestment of funds, as agreed with the donors on a timely basis.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

19. ITC will intensify its efforts to clear aged balances.

20. **In paragraph 52, the Board recommended that ITC develop a strategy to ensure that information in the e-performance system and Umoja is used in an integrated way to aid efficiency and enhance reporting on a consistent basis.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

21. ITC is working to upgrade the level of e-performance reporting.

22. **In paragraph 55, the Board recommended that ITC develop a reporting tool within the database, in particular the e-performance module, and use it to provide broader management information on consultants, focusing on the level of performance and any risks to project delivery.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

23. ITC will upgrade the reporting functionality of the consultant roster.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

24. In the annex to its report for the year ended 31 December 2014 (A/70/5 (Vol. III), chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Of the six recommendations made by the Board in its report on financial statements for the biennium ended 31 December 2013 (A/69/5 (Vol. III), chap. II), ITC had fully implemented one (17 per cent) and five (83 per cent) were under implementation. The Board also followed up on the implementation of eight recommendations from the report for the biennium ended 31 December 2011 (A/67/5 (Vol. III), chap. II), that were reported as outstanding in the report for 2012-2013. Of these, two (25 per cent) were fully implemented, five (63 per cent) were under implementation and one (12 per cent) was overtaken by events.

25. The overall situation as at August 2015 regarding the 10 recommendations assessed as not fully implemented by the Board is summarized in table 3.

Table 3

Status of implementation of recommendations from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	2	–	–	2	2	–
Division of Programme Support and United Nations Secretariat	2	–	–	2	2	–
Office of the Executive Director	4	–	1	3	3	–
Office of the Executive Director and Division of Programme Support	2	–	–	2	2	–
Total	**10**	**–**	**1**	**9**	**9**	**–**
Percentage	**100**	**–**	**10**	**90**		

Report of the Board for the biennium ended 31 December 2013[2]

26. **In paragraph 14, the Board recommended that ITC regularly inform both the General Assembly and the General Council of the World Trade Organization (WTO) of the projected future level of funding required to support end-of-service liabilities.**

Departments responsible:	Division of Programme Support and United Nations Secretariat
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

27. After-service health insurance liabilities are disclosed in the financial statements of ITC, which are presented to both the General Assembly and the General Council of WTO.

28. In its resolution 68/244, the General Assembly accepted the recommendation of the Advisory Committee on Administrative and Budgetary Questions that it continue the "pay-as-you-go" approach in relation to the funding of after-service health insurance liabilities. In 2016, ITC will start to reflect the actual cost of entitlement towards after-service health insurance for staff funded from extrabudgetary sources.

29. **In paragraph 19, while acknowledging the existing United Nations policy for charging programme support costs, the Board recommended that ITC review whether the current rates for programme support recover the full costs of projects.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

30. ITC notes that the rate of programme support costs to be charged is a policy issue and falls under the authority of the United Nations Controller. ITC further notes that it will continue its efforts to review of costs attributable to projects and to identify costs that can be directly allocated.

31. **In paragraph 21, the Board recommended that ITC: (a) further develop its project plan for the continuing costing methodology work and include key milestones and outputs to enable active monitoring of the project; and (b) thoroughly analyse its regular budget costs to enable the full costing of projects.**

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[2] A/69/5 (Vol. III), chap. II.

Departments responsible: Office of the Executive Director and Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

32. Initiatives are under way to cost outputs and outcomes. Part of this work depends upon the functions available in Umoja, which will only be deployed in Geneva by the end of 2015.

33. The project structure in Umoja will be utilized to capture direct costs at the output and activity levels. New complementary methodologies will be developed to show full project costs.

34. **In paragraph 37, the Board recommended that ITC evidence more thoroughly the evaluation of three candidates.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

35. ITC currently deploys the same level of organizational scrutiny as the United Nations Secretariat in terms of oversight of the managerial evaluation of at least three candidates. Notwithstanding the ongoing push towards personal and professional accountability for hiring managers, ITC will amend its consultant hiring process to ensure that the names of any potential consultants who were considered, but not ultimately selected, are made explicit together with the reasons for their non-selection.

36. **In paragraph 40, the Board recommended that ITC seek to quality assure performance evaluations of consultants.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

37. ITC is planning to roll out a new online consultant appraisal tool that will incorporate a quality assurance element.

Report of the Board for the biennium ended 31 December 2011[3]

38. **In paragraph 31, ITC agreed with the Board's recommendation that it review the methodology for charging programme support and ensure that the**

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[3] A/67/5 (Vol. III), chap. II.

full costs of staff are charged to all projects. ITC will review the amount accrued and consider increasing the rate to include the funding of end-of-service liabilities.

Departments responsible:	Division of Programme Support and United Nations Secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

39. The General Assembly, in its resolution 68/244, endorsed the recommendation of the ACABQ to continue the "pay-as-you-go" approach for the after-service health insurance liabilities for the regular budget at the present time. ITC follows the lead of the United Nations Secretariat for staff funded from extrabudgetary sources.

40. The implementation of this recommendation depends on the decision of the General Assembly and the procedures adopted by the United Nations Secretariat.

41. **In paragraph 59, the Board recommended that ITC: (a) when reporting its achievement indicators, provide accompanying commentary and data that illustrate the extent to which the number of entities reporting improvements attributable to ITC are located in priority or less developed countries; (b) integrate its selected performance indicators with published synthesis reporting of its periodic detailed evaluation of programmes, to provide deeper insight and assurance on the existence of improvements and their attribution to ITC input; and (c) reduce the inconsistency and variation in the reported achievement indicators by producing detailed data definitions and guidance notes as soon as possible after the agreement of the indicators and well before 1 January 2014.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

42. ITC has published online details of the development results for each of its projects since August 2014. These projects are categorized by country and full implementation is expected in June 2016. With regard to parts (b) and (c) of the recommendation, it should be noted that an evaluation synthesis report was presented to the Joint Advisory Group at it forty-ninth session (www.intracen.org/itc/events/JAG/) and a separate document with detailed guidance, definitions and indicators was also produced.

43. **In paragraph 60, the Board recommended that ITC consult with its stakeholders and other trade promotion agencies to ensure harmonization of reporting, and that the burdens implied by its own requirements be sustainable.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

44. In 2014, ITC started a series of dialogues with stakeholders and academic experts to build better approaches for understanding impact. ITC has joined the Donor Committee for Enterprise Development, including its working group on results measurement. ITC is working towards implementing the International Aid Transparency Initiative standard.

45. **In paragraph 65, the Board reiterated its recommendation that it establish a link between achievements and the resources allocated and use data on underachievement to inform the reallocation of funds.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

46. ITC has deferred the full implementation of this recommendation to December 2016 following a well-received pilot. Since 2013, ITC has established quarterly performance reviews across the technical assistance portfolio. Budgets on underperforming projects have been reduced and freed up resources allocated to projects that are better able to use them.

47. **In paragraph 80, the Board recommended that ITC, with immediate effect, require both peer reviewers and senior management to seek evidence of detailed planning for at least the early phases of work following initiation.**

Department responsible:	Office of the Executive Director
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

48. The Centre's new project portal incorporates detailed planning of the inception phase for each new project. This new system was launched in July 2015.

III. United Nations University

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[4]

49. The status of implementation of the main recommendations as at August 2015 is summarized in table 4.

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[4] A/70/5 (Vol. IV), chap. II.

Table 4
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Administration	4	–	3	1	1	–
Office of the Rector	1	–	–	1	1	–
Total	**5**	**–**	**3**	**2**	**2**	
Percentage	**100**	**–**	**60**	**40**		

50. The status of implementation of all recommendations as at August 2015 is summarized in table 5.

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Administration	7	–	4	3	3	–
Office of the Rector	1	–	–	1	1	–
Total	**8**	**–**	**4**	**4**	**4**	**–**
Percentage	**100**	**–**	**50**	**50**		

51. **In paragraph 21, the Board reiterated its previous recommendation (A/69/5 (Vol. IV)) to refine the Pelikan system by prioritizing the development of new features that enhance its relevance for the end-users, including managers with a focus on financial data and alert mechanisms. It further recommended that (a) the Institutes improve their monitoring of ongoing projects and programmes by utilizing Pelikan to its full potential and (b) managements ensure the completeness of project profiles to reveal their actual status for better internal control and giving reliable information to stakeholders.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

52. The Office of the Rector communicated to all United Nations University (UNU) Institutes and programmes the need to update all mandatory information fields in the Pelikan system. Monitoring of these inputs was undertaken in June and July 2015. All mandatory fields have been filled. Another spot check will take place in late November 2015, prior to the meeting of the UNU Council in Tokyo. In addition, while new options, features and search functions are increasingly becoming available in the current version of Pelikan, work is under way to move to a more robust, user-friendly

system that incorporates the needs of the project management system at UNU. Priority is being given to simplified workflows, a redesigned interface, ease of use and navigation, and expanded and refined options to improve the search and analysis experience in Pelikan.

53. Alert mechanisms, a new notification system based on e-mails, is now available in Pelikan. The mechanism helps project managers and directors to become aware of any action performed by one or the other, such as project approval requests and decisions on such requests. These notifications also support project managers in their daily work by alerting them of any required update for the projects they manage, in an effort to keep the information in Pelikan as accurate as possible.

54. A working dialogue is also ongoing with UNU institutes to enable the implementation of appropriate monitoring mechanisms.

55. **In paragraph 24, as agreed, the Board recommended that: (a) the management strengthen its monitoring of surplus funds and ensure their timely transfer to the cash/euro pools for investment by the United Nations Treasury to earn higher returns thereon; and (b) the management consider setting a threshold amount above which cash should be automatically invested in the cash pool.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

56. This recommendation has been fully implemented by UNU.

57. **In paragraph 28, as agreed, the Board recommended that the management conduct physical verification of library books periodically and promptly furnish physical verification reports to the UNU headquarters for effective inventory management.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target *date*:	Fourth quarter of 2015

58. The physical verification of library books will be conducted at the end of each year and the reports will be submitted to the UNU headquarters on a timely basis.

59. **In paragraph 33, the Board recommended that management adhere to the articles of the Cooperation Agreement with regard to payments to employees of the University of Maastricht.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

60. UNU headquarters will consult with both the Legal Department of Maastricht University and the UNU-Maastricht Economic and Social Research and Training Centre on Innovation and Technology (UNU-MERIT) to resolve this issue.

61. **In paragraph 35, as agreed, the Board recommended that UNU: (a) improve the documentation practices to enhance transparency in the selection process; (b) conduct formal evaluation of the work performed before renewal of the contract; (c) make payment of fees on a lump-sum basis after certification by the authorized official of satisfactory completion of the work; and (d) take measures to ensure that the total duration of services does not exceed the administrative instructions issued in this regard.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

62. The revised UNU Personnel Policy was approved by the UNU Council in May 2015 and disseminated to all UNU institutes and units for immediate compliance.

63. **In paragraph 38, as agreed, the Board recommended (a) signing of contracts prior to commencement of the contract period and (b) suitable modification in the Atlas finance module for capturing critical information relating to consultancy contracts in UNU.**

Department responsible:	Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

64. This recommendation has been fully implemented by UNU.

65. **In paragraph 44, as agreed by management, the Board recommended strict compliance with UNU personnel policy and adherence to the stipulated recruitment procedure.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

66. The management of the UNU Institute for the Advanced Study of Sustainability has instructed all staff to follow due recruitment process and to complete performance evaluation reports accordingly.

67. **In paragraph 49, the Board recommended that UNU (a) establish a mechanism to monitor the booking of air tickets to increase cost efficiency, and (b) review its existing travel policy to include more clarity and specificity.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

68. UNU is making plans to commence the implementation of this recommendation in the fourth quarter of 2015.

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior biennium

69. In the annex to its report for the year ended 31 December 2014 (A/70/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2015 regarding the six recommendations assessed as "under implementation" by the Board is summarized in table 6.

Table 6

Status of implementation of recommendations from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Administration	2	–	1	1	1	–
Office of the Rector	4	–	–	4	4	–
Total	**6**	**–**	**1**	**5**	**5**	**–**
Percentage	**100**	**–**	**17**	**83**		

Report of the Board for the biennium ended 31 December 2013[5]

70. **In paragraph 17, UNU agreed with the Board's recommendation that UNU clearly define the nature and scope of the academic programme budget and ensure that the academic programme budget is formulated according to UNU instructions.**

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[5] A/69/5 (Vol. IV), chap. II.

Department responsible:	Office of the Rector
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

71. The UNU budget is prepared on a biennial basis and the allocation of resources to programme development is best addressed at the planning stage of a new budget, which is currently under way for the biennium 2016-2017.

72. **In paragraph 21, the Board recommended that UNU: (a) continue its effort to finalize its policy position paper regarding financial instruments; (b) expedite updating pending business procedures in order to ensure full compliance with IPSAS; and (c) consider developing an IPSAS benefit realization plan to allow for full achievement of benefits as expected by IPSAS.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

73. Owing to human resources constraints, focus and priority was given to the completion of the first set of IPSAS-compliant financial statements. UNU is making arrangements to implement this recommendation by December 2015.

74. **In paragraph 30, the Board recommended that UNU: (a) establish a formal cooperation agreement with the Japan Foundation for UNU, to clearly identify respective roles and responsibilities; and (b) develop appropriate accounting policies regarding how UNU will account for the gross proceeds from and the retentions made by the Foundation in preparation for IPSAS implementation.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

75. A cooperative agreement has been drafted by UNU and reviewed by the Office of Legal Affairs. Discussions are ongoing with the Japan Foundation for UNU on their approval of the agreement. The relationship with the Japan Foundation for UNU was disclosed under the "Related parties" note in the audited financial statements for the year ended 31 December 2014 (A/70/5 (Vol. IV), note 28 to the financial statements).

76. Consultations with the Office of Legal Affairs in New York were held to clarify the responsibilities and boundaries of the relationship with the Japan Foundation for UNU. Further consultations were required in Tokyo with the Foundation to translate the legal position that was provided by the Office of Legal

Affairs. The consultations are progressing well and should conclude by the end of 2015.

77. **In paragraph 35, UNU agreed with the Board's recommendation that it develop relevant guidelines for project management and include performance indicators, baselines and other key elements in the project plan in the future.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

78. The Office of the Rector is working with the academic staff of the UNU institutes to implement this recommendation. As a first step, the format biennium 2016-2017 budget has been revised to allow space under each programme for a description of the measures of success.

79. The nature of academic research makes the quantification of performance indicators problematic across different research disciplines. A flexible approach is being sought that takes into consideration the variability across disciplines and regions.

80. **In paragraph 40, UNU agreed with the Board's recommendation that it: (a) refine the Pelikan system by prioritizing the development of new features that enhance its relevance for the end users, including managers with a focus on financial data and alert mechanisms; and (b) conduct spot checks on project implementation in accordance with the programme and project management manual.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

81. Refer to the comments of UNU in paragraph 73 above on the recommendation in paragraph 21 of the Board's report for the year ended 31 December 2014.

82. **In paragraph 55, UNU agreed with the Board's recommendation that it: (a) revise the performance evaluation report on personnel service agreements in order to remind management to undertake corresponding procedures that comply with the UNU personnel policy; and (b) develop an administrative instruction to specify the definition of "duration of service".**

Department responsible:	Office of the Rector
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

83. The revised UNU personnel policy, including the annex to the policy regarding the conditions of service for personnel service agreements, was approved by the UNU Council in May 2015.

IV. United Nations Development Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[6]

84. The status of implementation of the main recommendations as at August 2015 is summarized in table 7.

Table 7
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional bureaux	5	–	5	5	–
Office of Information Systems and Technology	1	–	1	1	–
Office of Financial Resources Management	1	–	1	1	–
Office of Human Resources	1	–	1	1	–
Executive Office	2	–	2	2	–
Total	**10**	**–**	**10**	**10**	**–**
Percentage	**100**	**–**	**100**		

85. The status of implementation of all recommendations as at August 2015 is summarized in table 8.

Table 8
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Executive Office	2	–	2	2	–
Office of Human Resources	2	–	2	2	–
Office of Financial Resources Management	5	–	5	5	–
Regional Bureaux	7	–	7	7	–
Regional Bureau for Latin America and the Caribbean	1	–	1	1	–
Office of Information Systems and Technology	2	–	2	2	–

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[6] A/70/5/Add.1, chap. II.

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Multiple offices	5	–	5	5	–
Total	**24**	**–**	**24**	**24**	**–**
Percentage	**100**	**–**	**100**		

86. **In paragraph 23, UNDP agreed with the Board's recommendations to: (a) ensure at year-end, country offices and headquarters units review the report of contracts with pending milestones and, for any identified issue, communicate to the Global Shared Service Centre through the Document Management System and update the status accordingly; and (b) make follow-up with the country offices and headquarters units so that milestones pending from previous years (from 2011 to 2014) are cleared without further delay.**

Department responsible: Office of Financial Resources Management
Status: In progress
Priority: Medium
Target date: First quarter of 2016

87. UNDP will ensure that procedures for the review and monitoring of pending milestones are complied with and timely action is taken. UNDP will request offices to promptly follow up outstanding balances with donors and notify the Global Shared Service Centre of any changes to the schedule of payments that are required under existing procedures.

88. **In paragraph 27, UNDP agreed with the Board's recommendations to: (a) request country offices to promptly follow up on all outstanding balances with donors and notify the Global Shared Service Centre of any changes to the schedules of payments that are required under existing procedures; (b) assess and maintain evidence of follow-up with donors for long outstanding receivables; and (c) assess aged receivables and record impairment for cases where the donor's ability to pay is in doubt as in accordance with UNDP policy.**

Department responsible: Office of Financial Resources Management
Status: In progress
Priority: Medium
Target date: Second quarter of 2016

89. UNDP will request offices to promptly follow up outstanding balances with donors and notify the Global Shared Service Centre of any changes to the schedule of payments. Evidence of such follow-up will be maintained and used for assessment of long outstanding receivables. Impairment provisions will be established for specific contributions where the donor's ability to pay is in doubt and there is a risk of financial loss to UNDP.

90. **In paragraph 30, UNDP agreed with the Board's recommendations that: (a) the Papua New Guinea country office, in collaboration with the United Nations country team, should complete missing information on national indicators, source of data, baselines and assumptions; and (b) an annual review of the United Nations Development Assistance Framework for Brazil be carried out in 2015 and the country office pursue timely signing of the country programme action plan by the Government.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

91. This requires reciprocal actions from counterparts in other United Nations agencies and programme Governments. The UNDP country office in Papua New Guinea, in collaboration with the United Nations country team, will use the ongoing review of the United Nations Development Assistance Framework action plan results framework, to update and complete missing information on national indicators, source of data, baselines and assumptions. Annual review of the Framework for Brazil will be carried out from May 2015 onwards. The UNDP country office in Brazil will continue to make all possible efforts in order to ensure that future country programme action plans are approved and signed by the Government in a timely manner.

92. **In paragraph 34, UNDP agreed with the Board's recommendation that it ensure that regional bureaux monitor the assessment of national implementation modality implementing partners in line with the Programme and Operations Policies and Procedures and that all project monitoring activities are carried out and documented.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

93. Regional bureaux will monitor the assessment of national implementation modality implementing partners in line with the Programme and Operations Policies and Procedures and ensure that all project monitoring activities are carried out in line with the new results-based management platform that enables monitoring results to be reflected in the system.

94. **In paragraph 38, UNDP agreed with the Board's recommendation that the Argentina and Brazil country offices: (a) use updated terms of reference for national implementation modality auditors; and (b) conduct capacity assessments of government auditors in accordance with headquarters guidelines.**

Department responsible: Regional Bureau for Latin America and the Caribbean

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

95. Country offices in both Argentina and Brazil will update the current standard terms of reference of the Office of Audit and Investigations for national implementation modality audits with the government counterparts. An updated capacity assessment for government auditors in Brazil was delivered in October 2014.

96. **In paragraph 42, UNDP agreed with the Board's recommendation that the Argentina, Brazil and Papua New Guinea country offices collaborate with programme government counterparts to set realistic and attainable project activities and budgets in line with available resources and monitor implementation progress at the country level so as to minimize implementation delays and the need to reduce budgets at year end.**

Department responsible: Regional bureaux

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

97. Country offices in Argentina, Brazil and Papua New Guinea will establish realistic budgets for projects implemented with government counterparts and monitor implementation on a regular basis.

98. **In paragraph 47, UNDP agreed with the Board's recommendation that country offices prepare resource mobilization implementation plans in compliance with the guidelines established in the resource mobilization toolkit.**

Departments responsible: Regional bureaux and Bureau for External Relations and Advocacy

Status: In progress

Priority: Medium

Target date: Third quarter of 2016

99. Regional bureaux will work with country offices to ensure that they comply with the guidelines established in the resource mobilization toolkit and prepare resource mobilization implementation plans.

100. **In paragraph 50, the Board reiterated its previous recommendation that UNDP submits the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

101. Regional bureaux will work with country offices to submit the combined delivery reports in a timely manner and ensure appropriate follow up of signatures by implementing partners.

102. **In paragraph 55, UNDP agreed with the Board's recommendation that country offices: (a) prepare progress reports for all projects in a timely manner; and (b) perform and document all requirements for project monitoring including updating risks logs in the Atlas system and conducting project board meetings.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

103. In line with the project quality assurance system currently being rolled out in three phases, regional bureaux will work with country offices to ensure that: (a) progress reports are prepared in a timely manner; and (b) requirements for project monitoring are documented, including assurance for risk management, and that project risks are recorded and regularly updated.

104. **In paragraph 59, UNDP agreed with the Board's recommendation that it: (a) exert more effort to financially close all projects that are in operationally closed status for more than 12 months; (b) ensure that appropriate project completion checklists are completed, final combined delivery reports for financial closure of projects are generated and certified in a timely fashion by responsible parties and final review reports are prepared consistently for operationally closed projects; (c) ensure that project board meetings are conducted in a timely manner and projects are evaluated as planned, reconciliations of expenditure are certified and lessons learned reports are prepared in a timely manner; and (d) make efforts to refund amount due to donors in line with the Programme and Operations Policies and Procedures and donor agreements.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

105. UNDP will update its policies and guidelines with regard to project closure and evaluations in line with the recent developments in quality assurance during the project life cycle. In addition, country offices will be requested to designate focal

points responsible for ensuring project closure activities are carried out in line with the Programme and Operations Policies and Procedures.

106. **In paragraph 63, UNDP agreed with the Board's recommendations that: (a) all country offices develop and implement comprehensive harmonized approach to cash transfers (HACT) assurance plans for performing macro- and microassessments in a timely manner, considering their programmatic cycles; and (b) wherever there is a shared implementing partner, the joint HACT working groups should develop a comprehensive joint HACT assurance plan that will cover all components highlighted in the Programme and Operations Policies and Procedures.**

Departments responsible:	Regional bureaux and Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

107. This is an ongoing process that involves coordination with programme counterparts and, where applicable, other United Nations agencies. UNDP specific guidance on HACT has been made available in the Programme and Operations Policies and Procedures and it includes the need to develop joint assurance plans where there is a shared implementing partner and a joint HACT working group. Regional bureaux will work with country offices to ensure timely completion of macro- and microassessments in line with programme cycles and the Programme and Operations Policies and Procedures.

108. **In paragraph 68, UNDP agreed with the Board's recommendation that it: (a) introduce timelines and robust quality assurance process for updates, approval and implementation of the Programme and Operations Policies and Procedures; and (b) ensure that the Programme and Operations Policies and Procedures, IPSAS policies and other applicable guidelines have updated contents in line with stipulated timelines.**

Department responsible:	Regional Bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

109. UNDP will develop a monitoring mechanism to track timelines and robust quality assurance processes in respect of the updates, approval and implementation of the policies in the Programme and Operations Policies and Procedures (including IPSAS policies).

110. **In paragraph 74, UNDP agreed with the Board's recommendation that it ensure that country offices comply with the segregation of duties for bank reconciliation, assets management and leave management in line with the internal control framework.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

111. With respect to segregation of duties for bank reconciliations and asset management, UNDP will send a reminder to all country offices to ensure compliance with the requirements of the internal control framework. With regard to leave management, UNDP moved away from using the manual attendance record cards, with effect from February 2015. The new electronic process ensures appropriate segregation of functions in line with the internal control framework.

112. **In paragraph 78, UNDP agreed with the Board's recommendation that it: (a) adhere to the service contract user guide on the proper use of the service contracts by ensuring that holders of service contracts are recruited only for those functions and duties as stipulated in the user guide; and (b) amend the terms of service contracts to clearly define the support functions and duties of those contracts.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

113. UNDP will monitor and report to relevant offices any instances of non-compliance. It will refine its Programme and Operations Policies and Procedures content for better clarity and will send reminder messages to offices on the need for compliance with existing Programme and Operations Policies and Procedures requirements. UNDP will also develop generic terms of reference for service contracts by the end of 2015 and will provide country offices with clearer guidance on the standards for developing service contract terms of reference that are aligned with the overall programme results.

114. **In paragraph 86, UNDP agreed with the Board's recommendation that it: (a) develop a clear action plan to ensure that performance management and development is used in talent management and assessment of results, competency domains and staff capacity; and (b) ensure that country offices introduce an oversight mechanism so that performance management and development plans and assessments are completed in a timely manner and reviewed and approved by respective managers.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

115. A number of refinements to the performance management approach and supporting tools will be delivered in 2015, ensuring closer linkage between performance management and other talent management processes and decisions. UNDP will monitor compliance and ensure appropriate follow-up through the regional and central bureaux.

116. **In paragraph 90, UNDP agreed with the Board's recommendation that: (a) the Office of Information Systems and Technology adopt a framework for carrying out, documenting and integrating management of all information technology-related risks (security, service delivery, project delivery, etc.) into the overall UNDP enterprise risk management process; and (b) all units within the Office comply with the established unit-level strategic planning process.**

Department responsible:	Office of Information Systems and Technology
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

117. In line with the established framework that integrates information technology risks into the UNDP enterprise risk management process, the Office of Information Systems and Technology updated the risk logs in 2014, and will continue doing so. All units in the Office will continue to comply with the established unit-level strategic planning process.

118. **In paragraph 95, UNDP agreed with the Board's recommendation that it include in its contractual arrangements with the International Computing Centre (ICC) the need and frequency of the report required under the International Standards on Auditing on Assurance Engagements 3402 (ISAE type-II report), which will give reasonable assurance to both UNDP and the Board on the operating effectiveness of the ICC controls within the annual financial reporting period.**

Department responsible:	Office of Information Systems and Technology
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

119. UNDP agrees that a well-documented and binding commitment by ICC on audit frequency is required and will discuss this matter with the Centre to find the best way of reflecting a binding commitment to the existing contract on the need and frequency of International Standards on Auditing on Assurance Engagements type-II reports

120. **In paragraph 102, UNDP agreed with the Board's recommendation that it: (a) regularly reconcile performance indicators, baseline and targets contained in the annual workplans; and (b) supervise and monitor data quality, timing and completeness of information keyed in by country offices into the platform/tool of baseline, milestones and targets.**

Departments responsible:	Regional bureaux and Bureau for Policy and Programme Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

121. The corporate baselines, milestones and targets exercise was completed in December 2014 and a populated integrated results and resources framework, with adjusted outputs, indicators, baselines, milestones, targets and actual results for 2014 has been finalized. Regional bureaux and country offices will use the new enhanced results-based management platform for monitoring the quality, timeliness and completeness of data.

122. **In paragraph 105, the Board recommended that UNDP: (a) investigate the errors in the process of reinstatement of purchase order balances; (b) institute quality assurance mechanisms for external access to the Atlas system when reinstating purchase orders; (c) ensure that a mandatory reference field is completed for reinstated purchase orders carried over from prior period balances; and (d) ensure compliance with requirements under the Programme and Operations Policies and Procedures on raising separate purchase orders for goods and services expected to be received in the respective financial periods.**

Departments responsible:	Regional bureaux and Procurement Support Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

123. UNDP is only aware of errors identified in its Brazil country office, which have been investigated. UNDP will support country offices in ensuring that quality assurance mechanisms are in place to mitigate against the risk of errors during the process of reinstating purchase orders with balances with respect to external access partners. UNDP will also explore the feasibility of making the purchase order reference field mandatory and will remind offices to follow requirements under the Programme and Operations Policies and Procedures.

124. **In paragraph 108, UNDP agreed with the Board's recommendation that it: (a) liaise with United Nations entities and conclude terms of reference for the Office of the Ombudsman and Mediation Services and reach final agreement; and (b) work with United Nations entities and arrive at the agreed milestones for clearing long outstanding unresolved balances.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

125. UNDP is actively working on clearing the unresolved balances with the respective United Nations entities and will follow up with the United Nations Secretariat specifically with reference to the Office of the Ombudsman and Mediation Services costs.

126. **In paragraph 113, UNDP agreed with the Board's recommendations that (a) Papua New Guinea and Myanmar country offices dispose of all assets that have been retired from use in a timely manner; and (b) derecognize in the books/in-service reports all the assets that have already been physically disposed of and those which have been transferred to the Government.**

Departments responsible:	Regional Bureau for Asia and Pacific and Administrative Services Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

127. UNDP will follow up with the two country offices to ensure the timely disposal of assets that are not in use and the recording of all transfers and disposals with the Global Shared Service Centre.

128. **In paragraph 118, UNDP agreed with the Board's recommendations to revisit the regular resources operational and other resources reserve calculation methodology and identify possible alternatives taking into account (a) current UNDP operations, (b) current strategic plan and risk management framework, (c) the impact of the IPSAS framework on the calculation of the reserve and (d) the ongoing structural change.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

129. UNDP will revisit its current operational reserve methodology and calculations to ensure that it takes into account recent changes to its operational, strategic plan, risk management, accounting and structural frameworks.

130. **In paragraph 124, UNDP agreed with the Board's recommendations to: (a) prepare a formal structural change-benefit-realization plan, including lessons learned so far; and (b) ensure that monitoring mechanisms are used so that long-term benefits are sustained in line with the formal benefit-realization plan.**

Department responsible:	Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

131. UNDP will prepare a benefit-realization plan, including lessons learned, and monitor the plan.

132. **In paragraph 129, UNDP agreed with the Board's recommendations to: (a) monitor and address staff complaints, claims or concerns over structural change from all channels, including those from the Staff Council, and facilitate their timely clearance to avoid reputational damage to UNDP; (b) strengthen opportunities for open, constructive dialogue and communications with staff and the Staff Council in the ongoing structural changes; and (c) establish plans for team building and staff motivation for confidence rebuilding and embed a culture that motivates and sustains the structural change.**

133. UNDP will monitor and address staff complaints from all channels, including those from the Staff Council, and will continue to facilitate regular meetings with the Staff Council to discuss issues on structural change processes. UNDP also will review each bureau's plan to move towards a more empowered, collaborative and innovative culture and will monitor progress twice each year.

Department responsible:	Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior financial periods

134. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.1, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the seven recommendations assessed as "under implementation" by the Board is summarized in table 9.

Table 9

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional bureaux	3	2	1	1	–
Office of Financial Resources Management	1	–	1	–	1
Regional Bureau for Latin America and the Caribbean	1	–	1	–	1

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of Human Resources and Office of Information Systems and Technology	2	–	2	2	–
Total	**7**	**2**	**5**	**3**	**2**
Percentage	**100**	**29**	**71**		

Report of the Board for the year ended 31 December 2013[7]

135. **In paragraph 43, the Board recommended that UNDP implement projects according to the annual workplans and address deviations from planned implementation in a robust and a timely manner.**

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

136. UNDP is working with the Board of Auditors to identify a sample for validation, as the Programme has several projects and validating all of them is impracticable.

137. **In paragraph 53, UNDP agreed with the Board's recommendation that it ensure that the project completion checklist is used consistently for the financial closure of development projects, including the preparation of final review reports.**

Department responsible:	Regional bureaux
Status:	Implemented
Priority:	High
Target date:	Not applicable

138. Project completion checklists and final review reports for selected projects have been provided to the Board.

139. **In paragraph 84, UNDP agreed with the recommendation of the Board that it review the causes of recurring modified audit opinions and take remedial action, as required, through engaging the regional bureaux and respective implementing partners.**

Department responsible:	Regional bureaux
Status:	Implemented
Priority:	High
Target date:	Not applicable

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[7] A/69/5/Add.1, chap. II.

140. Remedial actions have been taken for all projects with recurring modified audit opinions to mitigate and manage risks.

141. **In paragraph 91, UNDP agreed with the Board's recommendation that it: (a) assess risks surrounding executing the national implementation modality to find out why assurance procedures other than an audit could not detect the suspected irregular procurement procedures and improve controls; and (b) continue engaging with the partner Government to ascertain more facts about the matter in order to establish the actual loss the projects suffered and possibilities of recovery from the individuals involved.**

Department responsible:	Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	Ongoing

142. Regarding part (a) of the recommendation, the country office completed a comprehensive programme of work to strengthen the national implementation modality management and address identified risks. It implemented an integrated risk-based system to monitor and audit national implementation modality projects. With regard to part (b) of the recommendation, the judicial process that started in November 2013 remains ongoing and it is expected to determine in due course accountabilities and potential loss. This is a matter that is in the hands of a sovereign implementing partner and UNDP cannot provide a time frame as to when the judicial process will be completed.

143. **In paragraph 94, UNDP agreed with the recommendation of the Board that, unless there is a bilateral agreement with the donor(s) concerned, it make every effort to refund amounts due to donors and clear all balances exceeding 90 days in the 2013 account (refunds pending to donors) as required by the Programme and Operations Policies and Procedures and year-end closure instructions.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	Ongoing

144. UNDP has updated its policies to recognize the fact that refunds to donors often depend on timely responses from the donors after the respective projects are closed. Significant progress has been made on clearing the 2013 balances and the remaining amounts are awaiting actions with third parties outside the control of UNDP.

145. **In paragraph 129, UNDP agreed with the recommendation of the Board that it review the current Atlas payroll profiles to restrict the granting of conflicting roles in line with the internal control framework on payroll administration.**

Departments responsible:	Office of Human Resources and Office of Information Systems and Technology
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

146. UNDP is reviewing the mapping of the required segregation of duties in the system as prescribed in the internal control framework.

147. **In paragraph 138, UNDP agreed with the recommendation of the Board that it implement an automated e-mail notification to staff members and their supervisors for approvals of advance leave beyond the approved limit of 10 days.**

Departments responsible:	Office of Human Resources and Office of Information Systems and Technology
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

148. The enhancements to the system are in progress and will be migrated to the production environment in the fourth quarter of 2015.

V. United Nations Capital Development Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[8]

149. The status of implementation of the main recommendations as at August 2015 is summarized in table 10.

Table 10
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Directorate	2	–	2	2	–
Management Support Unit	1	1	–	–	–
Total	**3**	**1**	**2**	**2**	–
Percentage	**100**	**33**	**67**		

150. The status of implementation of all recommendations as at August 2015 is summarized in table 11.

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[8] A/70/5/Add.2, chap. II.

Table 11
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Directorate	6	–	6	6	–
Financial Inclusion Practice Area	2	–	2	2	–
Management Support Unit	1	1	–	–	–
Total	**9**	**1**	**8**	**8**	**–**
Percentage	**100**	**11**	**89**		

151. **In paragraph 19, the United Nations Capital Development Fund (UNCDF) agreed with the Board's recommendation that it work closely with UNDP to gain access to the tools and platforms and effectively utilize them for the strategic planning, monitoring and reporting of its programmes and activities to deliver better results.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

152. UNCDF is currently working with UNDP to effectively use the available platforms and tools for planning, monitoring and reporting, and where necessary, UNCDF will develop its own tools on the basis of its unique requirements.

153. **In paragraph 23, UNCDF agreed with the Board's recommendation that it ensure that all offices prepare procurement requisitions plans, and that the plans are consolidated in line with the Programmes Operations Policies and Procedures.**

Department responsible:	Management Support Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

154. In January 2015, UNCDF implemented an online tool for its country offices to upload their consolidated procurement plans. The plans will be regularly updated and their uploading will be monitored.

155. **In paragraph 27, UNCDF agreed with the Board's recommendation that it: (a) continue strengthening the oversight mechanism to ensure that performance management and development plans and assessments are completed in a timely manner, reviewed and approved by managers; and (b) develop a clear action plan in collaboration with UNDP to ensure that the performance management**

and development process is used in talent management and the assessment of results, competency domains and staff capacity.

Department responsible:	Directorate
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

156. UNCDF management agreed to establish an oversight mechanism to ensure that performance management and development plans and assessments are completed on a timely basis. Management will also work with the talent management group within the Office of Human Resources to ensure that annual performance management and development results are used in the talent management and assessment of staff capacity.

157. **In paragraph 31, UNCDF agreed with the recommendation that: (a) it expedite the process of operational closure for all projects based on their projects ending dates and review the project status in Atlas in a timely manner to comply with the Programme and Operations Policies and Procedures; (b) the Investment Committee, UNDP and UNCDF accelerate the process of approving the budgets at project inception to allow swifter budget approval by the Multi-Partner Trust Fund Office to facilitate implementation of activities under phase II projects.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

158. UNCDF will endeavour to close projects on a timely basis in line with their end dates and approve budgets in line with project start dates.

159. **In paragraph 36, UNCDF agreed with the Board's recommendation that it: (a) maintain liaison with donors to agree on mechanisms for disposing of any remaining balances to include in future trust fund agreements; (b) establish timelines and take all necessary measures to refund or reprogramme the $1.3 million from 22 inactive trust funds; and (c) expedite the process of financial closure of all long-outstanding operationally closed projects and review in a timely manner the project status in Atlas to comply with policies and procedures in the operational and financial closure of projects.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

160. The existing standard agreements have a clause on mechanisms to dispose of any remaining balances. A new programme management support unit will monitor

and process refunds or reprogramme funds from inactive trust funds and take action to close inactive projects in line with the Programme and Operations Policies and Procedures.

161. **In paragraph 40, UNCDF agreed with the Board's recommendation that it: (a) enhance follow-up of the grantees to ensure that they meet milestones and that budgeted grants are issued in a timely manner; (b) ensure that no microfinance institution is approved to carry out UNCDF operations and to receive grants without possessing valid licences and fulfilling host country operational requirements; (c) adhere to the signed financing agreements and disbursement conditions; and (d) promptly collect the funds from grantees who fail to meet the agreed conditions.**

Department responsible:	Financial Inclusion Practice Area
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

162. UNCDF will: (a) enhance the monitoring of grantees and ensure appropriate approvals for delaying the initiation of reimbursement of funds in accordance with the grant agreement; (b) ensure that microfinance institutions do not commence the provision of financial services without possessing the appropriate licences or government endorsement for pilots in place; (c) monitor adherence to disbursement conditions in the signed financing agreement; and (d) in instances where grantees fail to meet the agreed conditions, notify the grantee and assess the feasibility of recouping funds in line with the terms of the agreement.

163. **In paragraph 44, UNCDF agreed with the recommendation that the Fiji regional office comply with the Programmes Operations Policies and Procedures to ensure that: (a) performance indicators, baseline and targets are established at each country office for each output of the projects so as to assess the regional impact, outcome, baseline, indicators and targets; (b) the annual output targets are included in the annual workplans of projects to serve as the reference points in the corporate results monitoring systems; and (c) all annual workplans are prepared and approved, as well as signed and dated, by the investment committee.**

Department responsible:	Financial Inclusion Practice Area
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

164. The Fiji regional office will establish performance indicators at the appropriate levels required for monitoring results and to include the annual output targets in the annual workplans. The regional office will also prepare, approve and sign annual workplans on a timely basis in line with the UNCDF planning calendar.

165. **In paragraph 47, the Board recommended that UNCDF align the activities involved in project budgeting and execution to ensure efficient and timely delivery of targeted project budget performance.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

166. UNCDF will ensure there is alignment of project budgeting and implementation to enable timely delivery of targeted project budget performance.

167. **In paragraph 50, UNCDF agreed with the recommendation that it perform analysis: (a) to substantiate the reserve amount in terms of percentage, to establish its reserve in line with the risk mitigation strategy or framework component; and (b) to establish the method for the calculation of reserves to mitigate risks associated with cost-sharing and trust funds with respect to expenditure-related risks, structural risks and liability risks, and submit it to the Executive Board for approval.**

Department responsible:	Directorate
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

168. UNCDF will carry out an analysis of its reserve levels and calculation methodology in line with current risk framework.

B. Implementation of the recommendations of the Board of Auditors for prior financial periods

169. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.2, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the five recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 12.

Table 12

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Directorate	3	–	–	3	3	–
Financial Inclusion Practice Area	1	–	1	–	–	–

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional Office for Southern and Eastern Africa	1	–	–	1	1	–
Total	**5**	**–**	**1**	**4**	**4**	**–**
Percentage	**100**	**–**	**20**	**80**		

Report of the Board for the year ended 31 December 2012[9]

170. **In paragraph 23, UNCDF agreed with the Board's recommendation that it: (a) liaise with UNDP and agree on the urgent clearance of the loan policy, which is the instrument governing UNCDF loans provisions; (b) appropriately impair all overdue loans following the approval of the loan policy; and (c) disclose in the financial statements the interest accrued of $113,000 for adjustment after the reporting date.**

Department responsible:	Financial Inclusion Practice Area
Status:	Implemented
Priority:	High
Target date:	Not applicable

171. This recommendation was implemented as requested by the Board.

Report of the Board for the year ended 31 December 2013[10]

172. **In paragraph 19, the Board recommended that UNCDF adopt and fully implement an enterprise-wide risk management process for planning, monitoring and evaluating stages of its programmes and operational activities in line with its enterprise risk management framework.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

173. UNCDF is working with UNDP to adopt and implement the enterprise risk management framework in all stages of its programme and operational activities.

174. **In paragraph 30, UNCDF agreed with the Board's recommendation that it: (a) ensure that its completed projects are closed in a timely manner, as stated in the Programme and Operations Policies and Procedures; (b) obtain from the beneficiaries duly certified receipt of the transferred assets to avoid any risk that losses will occur without detection by management; and**

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[9] A/68/5/Add.14, chap. II.

[10] A/69/5/Add.2, chap. II.

(c) comply with the requirements of the Programme and Operations Policies and Procedures by refunding the balance or seek the consent of the donor with respect to applying the funds to other unearmarked activities.

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

175. Refer to the comments of UNCDF in paragraphs 157 and 160 above on the recommendations in paragraphs 31 and 36 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.2).

176. **In paragraph 37, UNCDF agreed with the Board's recommendation that it: (a) ensure that, wherever the posts of Programme Officers have been abolished, an appropriate handover mechanism is establish to ensure that their responsibilities are assigned to other designated officers for proper projects delivery; (b) perform final project evaluations that were supposed to be completed in 2013; (c) sign a memorandum of understanding with UNDP for the monitoring and management of the two remaining global projects scheduled to be finalized in 2017.**

Department responsible:	Regional Office for Southern and Eastern Africa
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

177. UNCDF is in the process of ensuring that the scheduled 2013 evaluations are finalized and exploring the best alternatives to monitoring and managing the two remaining global projects.

178. **In paragraph 41, UNCDF agreed with the Board's recommendation that it prepare complete annual workplans with performance indicators, baseline information and targets to conform with the results-based-budgeting framework, as required by the Programme and Operations Policies and Procedures.**

Department responsible:	Directorate
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

179. UNCDF is working with UNDP to effectively use the available platforms and tools for planning, monitoring and reporting. A consolidated request on "Statement of work for UNCDF programme oversight and monitoring tools" has been shared with UNDP to establish the proposed systems and pave the way for the full alignment of UNCDF with UNDP planning and reporting tools.

VI. United Nations Children's Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[11]

180. The status of implementation of the main recommendations as at August 2015 is summarized in table 13.

Table 13
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Field Results Group	1	–	–	1	1	–
Private Fundraising and Partnerships Division	1	–	–	1	1	–
Supply Division	3	–	–	3	3	–
Division of Financial and Administrative Management	3	–	1	2	2	–
Total	**8**	**–**	**1**	**7**	**7**	**–**
Percentage	**100**	**–**	**13**	**87**		

181. The status of implementation of all recommendations as at August 2015 is summarized in table 14.

Table 14
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Field Results Group	2	–	–	2	2	–
Division of Financial and Administrative Management	3	–	1	2	2	–
Private Fundraising and Partnerships Division	1	–	–	1	1	–
Public Partnerships Division	1	–	–	1	1	–
Supply Division	3	–	–	3	3	–
Division of Human Resources	1	–	–	1	1	–
Total	**11**	**–**	**1**	**10**	**10**	**–**
Percentage	**100**	**–**	**9**	**91**		

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[11] A/70/5/Add.3, chap. II.

182. **In paragraph 13, UNICEF agreed with the Board's recommendation that it: (a) record the reasons for extensions in every case in the database, and (b) analyse the reasons of grant extensions and take effective steps to achieve grant objectives in the stipulated time frame.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

183. UNICEF will ensure that a reason is recorded for every grant extension going forward. In addition, the reasons for grant extensions will be analysed by the end of third quarter of 2015 and appropriate action will be taken based on the results of the analysis.

184. **In paragraph 18, the Board recommended that appropriate internal controls be exercised to ensure that expenditure is limited to the agreement amounts and not exceeded.**

Department responsible:	Division of Financial and Administrative Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

185. System validity checks are already in place to restrict overspending on grants for predetermined types of transactions. Spending in excess of the grant is allowed in cases such as: (a) foreign exchange gains to allow for payment of existing commitments; (b) payroll as salary payments to staff are contractual obligations; and (c) freight on supplies, which is an estimate at ordering. Amounts over the grant limit are always reviewed and adjusted, as necessary. Of the $2.93 million reported as overspent, $2.31 million relates to grants that are not yet finally closed and whose numbers are not yet final. Adjustments are still being made to these grants and the final overspent position will be lower. Current internal controls in this area are considered appropriate.

186. **In paragraph 27, the Board reiterated its recommendation made in its report for the year 2012 and added that management should establish clear guidelines and define direct costs that could be attributable to programmes and projects so as to enhance adherence to the distinction between programme budget and the institutional budget as envisaged in the Financial Regulations and Rules.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

187. UNICEF started a consultative process that will result in the issuing of guidance on cost attribution principles to be used for the 2016 and 2017 budget submissions. The action plan to address this recommendation also includes determining and monitoring the appropriate level of operational posts at country offices in successive budget preparation processes, in conjunction with the formation of the Global Shared Service Centre, which is planned to be established in phases from August 2015 onwards. Conclusion on the appropriate level of operational posts in country offices can only be made after the centre is fully operational.

188. **In paragraph 45, the Board recommended that UNICEF: (a) strengthen the mechanisms in the regional and country offices to monitor and liquidate outstanding direct cash transfers to implementing partners; (b) address issues relating to reporting inconsistencies within its monitoring systems to provide assurance as to the accuracy and reliability of the management information system; (c) closely monitor the status of risk assessment of implementing partners by the country offices and operationalize assurance plans in compliance with the HACT framework; and (d) ensure that all Funding Authorization and Certification of Expenditure forms received for the year are liquidated and accounted for before the accounts closing date so as to reflect the correct position of liquidation amounts of cash transfers.**

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

189. To strengthen the monitoring and liquidation of direct cash transfers, the review and analysis of outstanding direct cash transfers have now been included in monthly closure activities that are performed by all UNICEF country offices. This is in addition to the existing information on the dashboards available to management, which provides the current status of all outstanding direct cash transfers and allows follow-up and monitoring by UNICEF country and regional offices.

190. UNICEF has analysed the sources of data on indicator related to the harmonized approach to cash transfers (HACT) on the dashboards. To improve the accuracy and reliability of the data, changes have been made to the HACT status report that feeds into the dashboards. These changes include adding and removing some indicators, as well as improvements to the presentation and source of data. These changes are expected to be reflected on the dashboards by the end of 2015.

191. Country office team management is the first level of monitoring of completion of assessments and assurance activities. This monitoring is already in place and is required under the UNICEF HACT procedure. To enable monitoring of HACT

implementation at the regional and global levels, as required by the UNICEF HACT procedure, a detailed monitoring tool (HACT status report) has been put in place. Formal reporting of the status of the implementation of HACT (including completion of assessments and assurance activities) is required from each office on a semi-annual basis.

192. Offices reported the status of the implementation of HACT as at the end of 2014. These data have been used to create a baseline for purposes of performance monitoring. Reporting on the first half of 2015 was due on 15 August 2015; the results of this reporting will be analysed and any country offices requiring support will be identified by the third quarter of 2015.

193. UNICEF will enhance the accounts closure instructions/guidance to require documentation of the Funding Authorization and Certification of Expenditure forms received but not liquidated by the accounts closure date owing to valid delays in the review and approval of the forms. This documentation will form the basis of any adjustments made to the "advances of cash assistance" balance.

194. **In paragraph 50, the Board recommended that UNICEF management monitor the issue of reports to donors and also ensure the accuracy and reliability of information in the dashboard to provide assurance as to the basis of management assertions.**

Department responsible:	Public Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

195. UNICEF will closely monitor the submission of progress reports for public sector resource partners. This will include regularly running the corresponding report to monitor progress reports due at the end of a particular month, or overdue, and follow up with the programme implementing offices as needed to encourage timely report submission. UNICEF also agrees to reduce dashboard inaccuracies with regards to donor reports, principally through ensuring accurate and complete data entry in its enterprise resource planning system.

196. **In paragraph 57, the Board recommended that UNICEF: (a) continue to persuade the National Committees for early establishment of reserves policies that are in accordance with the Reserves Guidance for National Committees; and (b) continue to engage with the National Committees to ensure that the level of reserves are relevant for the environment they operate in taking into account the benchmarks in the reserve policy.**

Department responsible:	Private Fundraising and Partnership Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

197. UNICEF has continued to work with the five National Committees that did not have reserve policies. Since the time of the audit, three of these National Committees have shared policies approved by their Boards and UNICEF is closely following up with the remaining two National Committees where delays have been experienced owing to vacancies in the leadership positions that approve the policies.

198. UNICEF also continues the systematic review of reserve levels and engages with National Committees, when required. After the review of the four National Committees, reserve levels for three National Committees have been accepted as reasonable based on the policies approved by the Board and national laws. Detailed discussions are being held with the remaining National Committee that has committed to reducing reserves by the end of 2015.

199. **In paragraph 69, the Board recommended that: (a) steps be taken to improve the completion rate of activities under the integrated monitoring and evaluation plan; (b) the country offices continue their efforts to ensure timely finalization of annual workplans and follow up release of funds to implementing partners; and (c) the system and procedure for timely preparation and submission of annual management plans to the regional offices be strengthened to improve the governance of country offices.**

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

200. UNICEF is implementing a software platform (PRIME) that will replace the hard copy/Microsoft Word-based integrated monitoring and evaluation plans. PRIME is being implemented progressively in UNICEF regions and will require multiple aspects of quality assurance throughout the year, which will ensure that integrated monitoring and evaluation plan activities are realistic and thus improve the completion rate of activities. The evaluation content of the Programme, Policy and Procedure Manual is also being revised to include PRIME, among other changes.

201. UNICEF is also currently revising guidance on workplans, which will be included in the Programme, Policy and Procedure Manual to be issued in the fourth quarter of 2015. This guidance will include the responsibilities of UNICEF offices, timelines and procedures for the preparation and submission of workplans.

202. **In paragraph 75, the Board recommended that UNICEF: (a) monitor its stock levels more closely to adhere to the extant stipulations relating to stock held for over two years; (b) closely follow up items that are in transit for prolonged periods; and (c) ensure accuracy in reporting of items that have been processed in the system as received.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

203. UNICEF stock monitoring activities by its country and regional offices have been steadily improving and are supported by the Supply Chain Monitoring and Visibility Dashboard. UNICEF will, however, implement a global high-level monitoring process, which will include its headquarters following up on stock levels with the country and regional offices, where necessary.

204. UNICEF has conducted regional workshops on monitoring the supply chain. The workshops included specific elements to help to facilitate and increase the regular monitoring of stock and goods in transit as well as take any needed action. UNICEF headquarters will continue to regularly monitor the goods in transit and has created a working group to improve the current status and reporting of goods in transit.

205. **In paragraph 85, the Board recommended that UNICEF: (a) streamline its processes of placing of purchase orders after the requirements are projected by the programme sections; (b) monitor execution of purchase orders to ensure timely delivery of supplies; (c) identify cases where the delay in receipt of goods was due to the vendors and take appropriate action under the contract agreement, including invoking liquidated damages in a consistent manner; and (d) consider including a provision for performance security and for levy of liquidated damages in all long-term agreements to safeguard the interest of the organization.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

206. UNICEF is developing an online procurement training course that will include guidance on the placing of purchase orders after requirements have been projected by programme sections to ensure that processes are as streamlined and efficient as possible. This course will be made available to all UNICEF staff.

207. UNICEF has updated the report used to monitor purchase orders to now include additional elements/indicators that will allow more effective monitoring of the execution of purchase orders.

208. UNICEF is revising the procedure on "Expediting purchase orders and related shipments" to include guidance on the consistent enforcement of liquidated damages on the applicable contracts.

209. UNICEF will consider additional safeguards for long-term agreements and document its analysis.

210. **In paragraph 98, the Board recommended that UNICEF: (a) ensure that remedies available under the terms of contracts are enforced, where required, to ensure vendor responsibility and performance; and (b) review all the cases where the contracts are kept open after the expiry of the validity period and ensure timely closure of the contracts.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

211. UNICEF is revising its procedure on "Expediting purchase orders and related shipments" to include guidance on the consistent enforcement of liquidated damages on the applicable contracts to ensure vendor responsibility and performance.

212. UNICEF will include an indicator in its internal dashboard to allow offices to more easily monitor contracts. In the meantime, a report was developed that can be used by offices for monitoring the status of service contracts, including determining whether any commitments/funds remain open for expired contracts. Offices have been advised of this report. The supply manual will also be updated to include a recommendation for offices to run the monitoring report on a regular basis in order to enable timely closure of contracts.

213. **In paragraph 101, while acknowledging the issue of a global guidance to address the concerns raised as stated by UNICEF, the Board recommended that: (a) UNICEF ensure transparency in hiring of consultants and comply with the laid down procedure with regard to their selection and evaluation; and (b) ensure that single-source selection is kept to a minimum and where unavoidable, proper approvals are obtained and documented.**

Department responsible:	Division of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2016

214. UNICEF will provide guidance on the implementation of the policy on consultants and individual contractors, in particular relating to transparent and correct documentation. In addition, monitoring tools to enable offices to analyse the use of single-source selection will be implemented.

B. Implementation of the recommendations of the Board of Auditors for prior financial periods

215. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.3, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the 12 recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 15.

Table 15

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Private Fundraising and Partnerships Division	3	–	1	2	2	–
Field Results Group	6	–	2	4	4	–
Division of Financial and Administrative Management	1	–	–	1	1	–
Supply Division/ Division of Human Resources	1	–	–	1	1	–
Division of Human Resources	1	–	–	1	1	–
Total	**12**	**–**	**3**	**9**	**9**	**–**
Percentage	**100**	**–**	**25**	**75**		

Report of the Board for the year ended 31 December 2012[12]

216. **In paragraph 86 of A/68/5/Add.2, the Board recommended that UNICEF: (a) analyse the parameters for determining the appropriate level of operational posts at country offices; and (b) monitor and control the use of the programme budget by country offices to cover operational expenditures not associated with specific programmes or projects.**

Department responsible:	Division of Finance and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

217. UNICEF has already started a consultative process that will result in the issuing of guidance on cost attribution principles to be used for the 2016 and 2017 budget submissions. The action plan to address this recommendation also includes determining and monitoring the appropriate level of operational posts at country offices in successive budget preparation processes, in conjunction with the formation of the Global Shared Service Centre. The Global Shared Service Centre is being established in phases from August 2015 onwards. Conclusion on the appropriate level of operational posts in country offices will only be made after the centre becomes fully operational.

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[12] A/68/5/Add.2, chap. II.

218. **In paragraph 142 of A/68/5/Add.2, UNICEF agreed with the Board's recommendation that it strictly comply with the requirements of the UNICEF policy relating to the selection of consultants and individual contractors.**

Department responsible:	Division of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2016

219. UNICEF will provide guidance on the implementation of the policy on consultants and individual contractors, in particular transparent and correct documentation. In addition, monitoring tools to enable offices to analyse the use of single-source selection will be implemented.

Report of the Board for the year ended 31 December 2012[13]

220. **In paragraph 24, the Board recommended that UNICEF: (a) collect donor agreements from all National Committees and ensure that all retentions of "other resources" by National Committees are made known to and approved by donors; and (b) ascertain reasons for high retention rates, and take measures to maximize the regular resources from National Committees.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

221. UNICEF collected donor agreements for contributions greater than $100,000. Donor agreements are established independently by National Committees based on standards and practices applicable locally and the terms are not governed by UNICEF. UNICEF, however, made recommendations to National Committees to incorporate retention rates in discussions with major donors. In addition, as part of the joint strategic planning annual review process that was completed at the end of first quarter of 2015, UNICEF analysed the costs of National Committees' operations to identify potential areas of efficiencies. The average retention rate in 2014 was 24 per cent.

222. **In paragraph 28, the Board recommended that UNICEF request the relevant National Committees to develop or revise their reserve policies in accordance with the reserves guidance and the cooperation agreement, and strengthen its monitoring of the reserves of National Committees to continue to bring down reserves to reasonable levels.**

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[13] A/69/5/Add.3.

Department responsible: Private Fundraising and Partnerships Division
Status: In progress
Priority: High
Target date: First quarter of 2016

223. Refer to the comments of UNICEF in paragraphs 197 and 198 above on the recommendation in paragraph 57 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.3).

224. **In paragraph 37, the Board recommended that UNICEF establish a global monitoring system to track the extent to which country offices plan and manage capacity assessment and assurance activities related to cash transfers.**

Department responsible: Field Results Group
Status: In progress
Priority: High
Target date: Fourth quarter of 2015

225. UNICEF is currently designing an electronic system to provide offices with support to plan and monitor capacity assessments and assurance activities related to cash transfers. The system will also provide functionality for regional and global monitoring through dashboards. The functionalities for offices to report and for the regional offices and headquarters to monitor the performance of the implementation of HACT have been already been put in place using internal monitoring tools. Key performance indicator data of country-level implementation of HACT are provided in dashboards.

226. Phase 2 of the monitoring system, which will provide country office focused functionalities for HACT planning, will be implemented by the end of 2015.

227. **In paragraph 40, the Board recommended that UNICEF provide technical support and strengthen monitoring to ensure that all country offices implement capacity assessments and assurance activities in accordance with the new framework for cash transfers to implementing partners.**

Department responsible: Field Results Group
Status: In progress
Priority: High
Target date: Fourth quarter of 2015

228. UNICEF allocated funds for the 2014-2017 period to strengthen the management of cash transfers through a global strategy for a harmonized approach to cash transfers. This strategy aims at strengthening management of cash transfers in accordance with HACT at all levels of the organization, with the following expected results: (a) effective capacity exists at the global, regional and country office levels to manage HACT processes and results, supporting improved financial management and accountability at office and national levels; (b) efficient systems

are in place in UNICEF to plan, monitor and report on HACT processes and results, facilitating management action at country, regional and headquarters levels; and (c) effective leadership is ensured at all levels within UNICEF in line with the new accountability framework for HACT management.

229. **In paragraph 48, the Board recommended that UNICEF enhance the capacities of implementing partners in programmatic areas and coordinate with other agencies with financial expertise in strengthening the capacities of implementing partners in the area of financial management.**

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

230. The development of the UNICEF approach to developing financial management capacity with accompanying guidance and tools is a planned activity and output of the global HACT strategy workplan, for which the implementation as well as guidance and tools are on track to be completed by the end of 2015.

231. **In paragraph 57, the Board recommended that UNICEF: (a) establish the means to collect cost category information relating to cash transfers to implementing partners; and (b) analyse the programme support and indirect costs of implementing partners to find opportunities for minimizing such costs and enhance the efficiency of cash transfers.**

Department responsible:	Field Results Group
Status:	Implemented
Priority:	High
Target date:	Not applicable

232. Guidance on budget structure and formulation in programme cooperation agreements was strengthened to enhance efficiencies of cash transfers to implementing partners. The guidance was included in the revised procedures on working with civil society organizations as implementing partners, which were issued in the first quarter of 2015.

233. To allow UNICEF to collect cost category information related to cash transfers to implementing partners, a general ledger code was created so that the amounts paid to implementing partners representing indirect costs can be tracked separately.

234. **In paragraph 63, the Board recommended that UNICEF: (a) consider presenting and reporting the budget for private sector fundraising activities of its country offices in an integrated manner; and (b) continue analysing the costs of private sector fundraising activities of its country offices to enhance efficiency and effectiveness.**

Department responsible: Private Fundraising and Partnerships Division
Status: In progress
Priority: High
Target date: Third quarter of 2015

235. UNICEF created a working group that carefully considered the recommendation that it prepare, present and report the budget for private sector fundraising activities of its country offices as part of the budget of the Private Fundraising and Partnerships Division, taking into account that the accountability and decision-making relating to these expenses resides at the country level. The outcomes of the working group's discussions have been presented to the Executive Director. It is expected that a decision will be made by the end of the third quarter of 2015 for implementation in the 2016 budget process for the Private Fundraising and Partnerships Division.

236. UNICEF has implemented a process to monitor and analyse these costs through the annual budgeting and reporting cycle of the Private Fundraising and Partnerships Division to promote efficiencies and effectiveness. This process includes the reporting of costs and quarterly reviews.

237. **In paragraph 69, the Board recommended that UNICEF require its country offices to apply fully justified budget assumptions in preparation for resource estimation with respect to activities set out in the multi-year/rolling workplans.**

Department responsible: Field Results Group
Status: In progress
Priority: Medium
Target date: Second quarter of 2016

238. Guidance on the preparation of multi-year/rolling workplans exists for country offices and is being strengthened to include the development of budget assumptions. UNICEF will also continue strengthening the capacity of the implementation by its country offices of results-based management through training and guidance.

239. In addition, an investment project to implement a budget formulation tool has been initiated. This tool will strengthen the costing and budgeting for inputs and outputs. The module is planned to be completed in April 2016.

240. **In paragraph 81, the Board recommended that UNICEF update the statement of progress and indicator status towards the achievement of programme results in the results assessment module in a timely manner.**

Department responsible: Field Results Group
Status: Implemented
Priority: High
Target date: Not applicable

241. Guidance was revised and strengthened as part of the release of the second version of the results assessment module to strengthen the indicator for achievement of programme results. Consultations are held with country and regional offices to support adequate use of the results assessment module. Support is also provided to put in place quality assurance mechanisms at the country and regional office levels.

242. **In paragraph 87, the Board recommended that UNICEF analyse the cause of delays in the closing of commitments for identified consultant and institutional contracts, and in future periods require offices to closely monitor the status and implementation of the contracts, and close in a timely manner all commitments requiring no further activity or transaction.**

Departments responsible: Supply Division and Division of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

243. UNICEF will include an indicator on its internal dashboard to allow offices to more easily monitor contracts. In the meantime, a report was developed that can be used by offices for monitoring the status of service contracts, including determining whether any commitments/funds remain open for expired contracts. Offices have been advised of this report. The supply manual will also be updated to include a requirement for offices to run the monitoring report on a regular basis in order to enable the closure of contracts in a timely manner.

VII. United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[14]

244. The status of implementation of the main recommendations as at August 2015 is summarized in table 16.

Table 16
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	4	1	3	3	–
Department of Education	2	–	2	–	2
Department of Finance	1	–	1	1	

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[14] A/70/5/Add.4, chap. II.

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Health Programme Management	1	1	–	–	–
Total	**8**	**2**	**6**	**4**	**2**
Percentage	**100**	**25**	**75**		

245. The status of implementation of all recommendations as at August 2015 is summarized in table 17.

Table 17
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented overtaken by events*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	8	–	1	7	7	–
Department of Education	4	–	–	4	–	4
Department of External Relations and Communications	1	–	–	1	1	–
Department of Finance	2	1		1	1	–
Department of Health Programme Management	3	–	1	2	–	2
Department of Human Resources	3	–	2	1	1	–
Department of Infrastructure and Camp Improvement	1	–	–	1	1	–
Department of Internal Oversight Services	3	–	3	–	–	–
Department of Microfinance	1	–	1	–	–	–
Department of Relief and Social Services	2	–	1	1	1	–
Multiple departments	2	–	–	2	2	–
Total	**30**	**1**	**9**	**20**	**14**	**6**
Percentage	**100**	**3**	**30**	**67**		

246. **In paragraph 23, the Board recommended that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA): (a) liaise with United Nations Headquarters to obtain confirmation on the approach to be followed to settle its end-of-service liabilities; and (b) avoid decisions that increase these liabilities while its funding is still uncertain.**

Department responsible:	Department of Finance
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

247. UNRWA does not accept this recommendation and has requested the Board to close it. The recommendation is considered to be impractical given the Agency's mandated responsibilities. The matter of the unfunded end-of-service liabilities is inherently tied to the nature of UNRWA and its temporary mandate. UNRWA expects that once there is a sustainable political solution on the displacement of Palestine refugees, the issue of end-of-service liabilities will be addressed along with the future of the Agency's activities as well as the dissolution of its assets and liabilities. UNRWA has, however, initiated a series of austerity measures, including early voluntary retirement schemes and class-size reductions as part of its efforts to reduce staff costs, all of which contribute to decreasing the end-of-service liabilities.

248. **In paragraph 27, the Board recommended that UNRWA: (a) establish a rigorous review process of financial information during preparation of financial statements at field offices to reduce recurring non-compliance with accounting policies and procedures evident in some fields; (b) ensure that officers involved in the preparation of financial statements in field offices have adequate support from Headquarters with regard to the practical application of IPSAS requirements; and (c) ensure that the reconciliation of vendors balances at year-end is done to identify unrecorded payables or payments.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

249. With the launch of the new SAP enterprise resource planning system, policies and procedures in all the fields are now consistent based on controls embedded in the SAP system. Furthermore, as part of the implementation of enterprise resource planning and post-launch, there has been extensive coordination between the Department of Finance and field offices to ensure the accuracy of data migration. The IPSAS Section of the Department of Finance is available at all times to support the field offices on any queries they may have on IPSAS application. All vendors are now part of the SAP accounts payable module and it is anticipated that the reconciliation of vendor balances at year-end will be performed in a timely manner to mitigate any risks of unrecorded payables/payments.

250. **In paragraph 31, UNRWA agreed with the recommendations of the Board that it: (a) review its follow-up strategy to improve and strengthen its efforts to collect the long outstanding value-added tax (VAT) arrears; and (b) review the collectability of the receivable and impair the value for amounts considered as uncollectable.**

Departments responsible:	Department of Finance and Department of Legal Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

251. UNRWA will review its follow-up strategy to improve and strengthen its efforts to collect the long outstanding VAT arrears. The Department of Legal Affairs is leading on this matter and UNRWA has entered into arrangements for exemption from VAT on purchases made in the West Bank and Gaza. In August 2015, the advance VAT exemption arrangement with Gaza was fully implemented.

252. UNRWA continues to raise the issue of long outstanding VAT arrears, notably through the Commissioner-General's annual report submitted to the General Assembly and considered by its Special Political and Decolonization Committee (Fourth Committee). The matter is also under the active consideration of the General Assembly Working Group on the Financing of UNRWA.

253. **In paragraph 35, the Board recommended that UNRWA develop a mechanism of tracking and quantifying the net savings from austerity measures at all levels of operation and evaluate their effectiveness.**

Departments responsible:	Department of Finance and Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

254. UNRWA has been under austerity measures for several years now. These measures were taken as an internal management initiative to manage the rising cash deficit, with the donor contributions not being able to offset the annual increases in expenditures. It is extremely difficult for UNRWA to quantify savings against each specific measure owing to the time and effort required for tracking each specific activity. However, UNRWA was able to generate savings by limiting training activities and procurement. In addition, all capital expenditures from the General Fund are scrutinized by the Executive Office. Budgets are now tightly constrained and capital expenditures are restricted to essential equipment replacements only.

255. **In paragraph 39, UNRWA agreed with the Board's recommendation that it: (a) develop an Agency-wide management information system to harmonize information on the microcredit community support programme for the purpose of decision-making and to enable impact assessment, as well as aggregation of data in the general financial statements; and (b) expedite the finalization of the memorandum of understanding to make it legally binding.**

Department responsible: Department of Relief and Social Services

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

256. In the light of the Agency's financial situation, a decision was made to suspend funding for the microcredit community support programme until it can be aligned with the relief and social services reform criteria for addressing poverty. The 2015 and 2016 plans include the continued work of the Jordan field office to prepare the bylaws for guiding the engagement of community-based organizations with UNRWA as a prerequisite for funding. Further, a budget decision for 2016 was taken in support of a freeze on direct grants to community-based organizations and only activity-based support for disability and women's programmes will be granted.

257. **In paragraph 42, UNRWA agreed with the recommendation of the Board that it formally define and document the criteria for issuing additional loans.**

Department responsible: Department of Relief and Social Services

Status: Overtaken by events

Priority: Medium

Target date: Not applicable

258. As stated in paragraph 256 above in the comments on the recommendation in paragraph 39 of the Board's report, a decision was made by UNRWA to suspend funding for the microcredit community support programme until it can be aligned with the relief and social services reform criteria for addressing poverty.

259. **In paragraph 45, UNRWA agreed with the recommendation of the Board that it: (a) expedite the process of developing the maintenance policy to guide the buildings maintenance work; and (b) develop a database system for maintenance records to provide reliable information for decision-making.**

Department responsible: Department of Infrastructure and Camp Improvement

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

260. This recommendation is being implemented and it is expected to be completed in the fourth quarter of 2015.

261. **In paragraph 49, UNRWA agreed with the recommendation of the Board that it ensure that in all procurement, waivers and deviations from the provisions of the UNRWA procurement manual (2012) are requested and approved by the director of the respective field office or the Chief of Procurement and Logistics Division.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

262. The Procurement and Logistics Division will obtain a signed waiver from the Director of the Jordan field office for: (a) every request pertaining to the shortening of the tender period; (b) every request by the user to re-tender; and (c) any procurement actions that deviate from the requirements of the UNRWA Procurement Manual. The Procurement and Logistics Division will keep updated records of all waivers obtained within its delegation of authority.

263. **In paragraph 55, UNRWA agreed with the recommendation of the Board that it: (a) establish mechanisms to allow regular review of engineers' estimates prior to tendering, which will help the Agency to arrive at cost estimates based on the prevailing market price; (b) review the re-tendering trend and establish ways of minimizing the repetition; and (c) facilitate site visits by interested bidders to enable proper evaluation of the scope of work and cost estimates.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

264. UNRWA is reviewing the standard operating procedures for issuing contracts, which include the following: (a) an increase in the frequency of updating the Agency estimates so the market prices used are more accurate; and (b) consideration of establishing a review committee to validate the field estimates prior to each tender.

265. **In paragraph 56, UNRWA agreed with the recommendation of the Board that it: (a) ensure that all service contracts are signed before service delivery to make them legally binding; and (b) conduct performance evaluations of previous services rendered before extending service contracts.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

266. Hospitalization performance evaluations will be conducted on an annual basis in line with the related contracts. UNRWA will ensure that service contracts are issued before the commencement of services.

267. **In paragraph 60, UNRWA agreed with the recommendation of the Board that it: (a) expedite the review of its standard operating procedures to facilitate generation of the consolidated procurement plan and ensure that plans are approved by existing procurement committees before implementation; and**

(b) improve preparation of procurement plans at the field offices to include key elements for evaluation and accountability.

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

268. The Procurement and Logistics Division is reviewing the existing policies and standard operating procedures and will put enhanced systems and processes in place to address the issues raised by the Board.

269. **In paragraph 63, UNRWA agreed with the recommendation of the Board that it: (a) establish a dedicated contracts management desk office within UNRWA that will act as a coordinator of the Agency's contractual relationships; (b) create an effective relationship between the management and suppliers and maintain regular communication with suppliers; and (c) consider the inclusion of a liquidated damages clause in the contracts relating to medicines and medical supplies to enforce the compliance of suppliers.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

270. The Pharmaceutical and Medical Supplies Unit will be reorganized to provide services for strategic operations and contract management in an enhanced manner. The new arrangement will address vendor relationships and performance management, as well as the need for a dedicated contract management team. A draft organogram is being prepared for the management's approval and implementation.

271. **In paragraph 67, UNRWA agreed with the recommendation of the Board that it: (a) expedite the construction of one school, namely the fully green school, for the consolidation of three schools operated in rented buildings; (b) consider developing long-term plans for the replacement of schools operated in rented buildings and short-term solutions for equipping the rented schools; and (c) given the limited resources of the Agency, continue with efforts to mobilize funds to meet the costs of land and construction.**

Department responsible:	Department of Education
Status:	In progress
Priority:	High
Target date:	Ongoing

272. UNRWA is currently facing financial difficulties and therefore, this recommendation is not likely to be addressed soon. However, UNRWA will continue to mobilize funds and focus on its core activities and priorities.

273. **In paragraph 68, the Board also recommended that UNRWA: (a) allocate the learning resource rooms in existing schools to enhance the implementation of special educational needs programmes; and (b) mobilize sufficient resources to renovate existing school buildings to allow easy access for students with mobility problems.**

Department responsible:	Department of Education
Status:	In progress
Priority:	High
Target date:	Ongoing

274. Refer to the comments of UNRWA in paragraph 272 above on the recommendation in paragraph 67 of the Board's report.

275. **In paragraph 70, UNRWA agreed with the recommendation of the Board that it: (a) ensure that field offices expedite the recruitment process of the vacant posts within the new structure and coordinate with the education department at UNRWA headquarters on matters requiring headquarters decisions; and (b) expedite the finalization of the draft governance framework to support the implementation of the education reform strategy.**

Department responsible:	Department of Education
Status:	In progress
Priority:	Medium
Target date:	Ongoing

276. The recruitment process of the vacant posts in the new structure was accelerated and completed in four of the five field offices. The final steps are contingent upon the funding situation. The development of the draft governance framework is ongoing.

277. **In paragraph 71, the Board recommended that UNRWA establish acceptable strategies to avoid Agency-wide effects resulting from the actions of the area staff union on the implementation of the teacher coordinators pilot project at other field offices.**

Department responsible:	Department of Education
Status:	In progress
Priority:	Medium
Target date:	Ongoing

278. Following difficulties in implementing the pilot project in the West Bank, it was transferred to Lebanon in 2014. Owing to the current financial difficulties in UNRWA, the pilot project has been held up in Lebanon as well but management is pursuing its continuation.

279. **In paragraph 76, UNRWA agreed with the recommendation of the Board that it: (a) explore the possibility of entering into long-term agreements with local suppliers that offer competitive prices and meet the required specifications; (b) expedite installation of new cold rooms to provide enough space for drugs that need to be stored at temperatures below 8 degrees centigrade; and (c) dispose of the expired drugs to create additional storage space and, in the intervening period, allocate temporary storage space to provide adequate drug storage facilities.**

Department responsible:	Department of Health Programme Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

280. Both the Procurement and Logistics Division and the Department of Health Programme Management met in July 2015 and agreed to resolve the following issues relating to medicines and medical supplies by ensuring timely deliveries, better pricing, enhanced contract management, broadening the supplier base both locally and internationally and conducting yearly quantification exercises to allow for the more precise estimation of requirements.

281. Three cold rooms were installed and they are now fully functional. For the pharmacy expansion, the Jordan field office prepared and submitted to donors a project proposal in early 2015.

282. **In paragraph 80, UNRWA agreed with the recommendation of the Board that it develop and implement procedures to facilitate quality control tests of essential medicines and medical supplies at the Lebanon field office.**

Department responsible:	Department of Health Programme Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

283. Pharmaceutical testing of the medical supplies is done by manufacturers in their countries of origin. The only requirement by the Ministry of Public Health in Lebanon is to ensure that all medical supplies entering Lebanon are registered and approved by the Ministry. Inspections are done prior to the release of shipments of medical supplies at port of discharge.

284. **In paragraph 81, the Board recommended that UNRWA identify appropriate means and areas for waste disposal and consider the inclusion of waste management in the annual budget as a priority to facilitate the establishment of disposal facilities at the health centres.**

Department responsible:	Department of Health Programme Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

285. The waste management plan has been developed and approved by the UNRWA management. The Department of Health Programme Management will coordinate internally to secure the required funds to implement the approved waste management plan.

286. **In paragraph 83, UNRWA agreed with the recommendation of the Board that it establish a mechanism, such as a project appraisal committee, to ensure that project risk assessments are conducted and included in project proposals, as required by the UNRWA project procedures manual (2011).**

Department responsible:	Department of External Relations and Communications
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

287. This issue is being addressed through the formation of a project appraisal committee comprised of members of management, representatives of relevant departments, as well as the Project Support Office and the Donor Relations Unit. The project appraisal committee is responsible for reviewing all proposals before they are submitted to donors and ensures that projects are based on identified needs. It also takes into account all factors such as synergies with existing projects/programmes, support costs, including human resource requirements, and risk management. The Project Support Office is continuing to further develop a robust project appraisal process that will further assist in ensuring smooth project implementation.

288. **In paragraph 87, the Board reiterated its previous audit recommendation that UNRWA expedite the planned initiatives to reduce the length of the recruitment process by improving coordination within the hiring departments.**

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

289. The Department of Human Resources has made efforts to reduce the length of the recruitment process through weekly recruitment status updates and follow-up with the concerned departments.

290. **In paragraph 89, UNRWA agreed with the recommendation of the Board that it: (a) comply with the international staff selection policy on international staff recruitment to allow enough time to invite more applicants; and (b) ensure**

proper documentation in the recruitment files in cases where the recruitment policy is waived for the purpose of meeting the Agency's minimum operational requirements.

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

291. Vacancies for international staff are normally advertised for a period of one month. In rare instances, the Department of Human Resources may be requested to shorten the advertising period to three weeks, where there are justifiable reasons. The Department considers such requests and, where appropriate, shortens the advertising period.

292. **In paragraph 90, UNRWA agreed with the recommendation of the Board that it comply with staff selection policies and, that, where there is an exceptional case beyond the Agency's control, it document the reasons for extension to support its decision.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

293. The practice of obtaining special approvals to extend the rosters is an internal arrangement to respond to immediate needs to fill posts. Those approvals were obtained in a few cases where rosters were frozen for most of the actual roster period. UNRWA will minimize the use of special approvals and when they are used in future, the reasons will be documented in the appropriate files.

294. **In paragraph 92, UNRWA agreed with the recommendation of the Board that it update the disaster recovery plan in order to: (a) accommodate the critical systems of the outsourced data centre; and (b) expedite signing of the contract with the vendor hosting the new enterprise resource planning system and Citrix.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

295. Owing to the need to expand the capacity of the data centre at the United Nations Logistics Base at Brindisi, Italy, a second data centre was established at the Global Service Centre in Valencia. The UNRWA SAP system is hosted in Valencia with backup capability provided by Brindisi. UNRWA in planning to restructure its older systems hosted in Brindisi only to allow redundant backup from either Valencia

or Brindisi. All new systems in development will have a backup data centre in place from their inception. The disaster recovery plan will be updated accordingly.

296. With regard to the vendor that is hosting the new enterprise resource planning system and Citrix, the contract has already been signed.

297. **In paragraph 93, UNRWA also agreed with the recommendation of the Board that it: (a) review the backup policy and procedures for users access to reflect the new requirements of the enterprise resource planning system; (b) expedite the customization of the service desk express application to accommodate the handling of incidents arising from the implementation of the new system and train service desk staff accordingly before the system becomes fully operational; and (c) develop project closure plans for the system to ensure its smooth transition from the project to the operational stage.**

Department responsible: Department of Administrative Support
Status: Implemented
Priority: High
Target date: Not applicable

298. This recommendation has been fully implemented.

299. **In paragraph 96, UNRWA agreed with the recommendations of the Board that it: (a) review the information security policy to cover the security posed by mobile devices; and (b) develop mobile device security guidelines and create awareness among users.**

Department responsible: Department of Administrative Support
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2015

300. Access to the Agency's main applications by telephone or through wireless networks is adequately secured using existing application access controls that require a user identity and password. UNRWA, however, acknowledges the vulnerability that comes with the potential loss or theft of mobile devices and in this regard, it will update its security policies in respect of actions to be taken should such events occur.

301. **In paragraph 102, UNRWA agreed with the recommendations of the Board that it: (a) expedite the automation of the follow-up system for internal audit recommendations to the results-based management action tracking system to ensure the efficient and effective tracking of the recommendations of the Department of Internal Oversight Services; and (b) ensure that the experience gained from the Jordan field office is well documented for future use during the expansion to other fields to make it cost-effective.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

302. An action tracking system is now in place to record and monitor the recommendations of the Department of Internal Oversight Services in the results-based management system. The new tracking system is now used both by the Department of Internal Oversight Services and the Jordan field office.

303. **In paragraph 107, the Board recommended that UNRWA: (a) ensure intake committees are established at all field offices to review allegations of misconduct for quality assurance; and (b) consider developing a policy that will guide the reporting of investigation activities conducted by staff at the field offices and by headquarters departments.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

304. The guide issued in 2010 by the Department of Internal Oversight Services for conducting investigations contains policies on the reporting of investigations activities. In addition, intake committees have been established in all field offices, as recommended by the Board.

305. **In paragraph 108, UNRWA agreed with the recommendation of the Board that it ensure that all field offices establish intake committees and that it consider developing a policy to guide the reporting of investigation activities at the fields and by headquarters departments.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

306. Refer to the comments of UNRWA in paragraph 304 above on the recommendation in paragraph 107 of the Board's report.

307. **In paragraph 113, the Board reiterated its recommendations that the Microfinance Department: (a) improve controls by establishing an online loan application process in the new Omni enterprise system in 2015; and (b) closely supervise cashiers' activities, offer training and instruct cashiers to strictly follow the operational procedures, including updating the cheque register, which is to be verified quarterly by branch managers; and (c) adopt proper follow-up procedures for all borrowers, focusing on those with late payments, while adhering to the agreed terms and conditions during loan disbursement.**

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

308. Online loan application in the Omni system is now part of the loan application procedure. The recommendation on cashiers was also completed when the procedural manual was updated, staff were trained on the correct procedures and increased supervision of the branches was introduced to ensure compliance. The Microfinance Department issued instructions to cashiers to strictly adhere to operational procedures and all cashiers attended training sessions to improve their skills. In addition, the Department of Finance increased the number of its field visits to check on the cashiers.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

309. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.4, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the 44 recommendations in the previous final audit reports assessed either as "under implementation", "not implemented" or "reiterated" by the Board is summarized in table 18.

Table 18

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	13	–	10	3	2	1
Department of External Relations and Communications and Department of Finance	2	2	–	–	–	–
Department of Enterprise Resource Planning	2	–	1	1	1	–
Department of Finance	2	–	2	–	–	–
Department of Human Resources	4	–	2	2	2	–
Department of Infrastructure and Camp Improvement	1	–	–	1	1	–
Department of Internal Oversight Services	6	–	2	4	4	–

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Legal Affairs	2	–	–	2	1	1
Microfinance Department	4	–	3	1	1	–
Department of Planning	7	–	3	4	4	–
Department of Relief and Social Services	1	–	–	1	1	–
Total	**44**	**2**	**23**	**19**	**17**	**2**
Percentage	**100**	**5**	**52**	**43**		

Report of the Board for the biennium ended 31 December 2011[15]

310. **In paragraph 82, UNRWA agreed with the Board's recommendation that it: (a) allow for adequate tender submission time frames in accordance with the Procurement Manual; (b) provide clarity on what constitutes "due cause"; and (c) instruct field offices to institute adequate procurement planning.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

311. Version 3.0 of the Procurement Manual addresses the concerns raised by the Board.

312. **In paragraph 118, UNRWA agreed with the Board's recommendation that it enhance its supply manual to address the inconsistent procedures applied by its field offices in issuing inventories and that it address the gaps identified in the process of issuing inventories.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

313. The Agency's new enterprise resource planning system, REACH, has been launched and the business process related to issuing inventories is now coded into the system; it is applied uniformly across UNRWA and addresses the gaps that were noted by the Board in the previous system.

314. **In paragraph 178, the Board recommended that UNRWA prioritize the implementation of internal audit recommendations, with emphasis on high-risk areas identified by internal audit.**

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[15] A/67/5/Add.3, chap. II.

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

315. The Department of Internal Oversight Services has a system of prioritizing its internal audit recommendations by assigning a rating of high, medium or low priority. The system directs management's attention to the high priority recommendations first, followed by the medium and then low priority. It also directs Department of Internal Oversight Services to focus most of its attention on the high priority recommendations during its follow-up campaigns.

Report of the Board for the year ended 31 December 2012[16]

316. **In paragraph 41, of A/68/5/Add.3, the Board reiterated its recommendation that UNRWA develop a funding strategy to enable it to honour all of its end-of-service liabilities.**

Departments responsible:	Department of External Relations and Communications and Department of Finance
Status:	Not accepted
Priority:	High
Target date:	Not applicable

317. Refer to the comments of UNRWA in paragraph 247 above on the recommendation in paragraph 23 of the Board's report for the year ended 31 December 2014.

318. **In paragraph 62, the Board recommended that UNRWA develop a clear mechanism for monitoring supplier performance during the contract period. This would ensure compliance with regulations and would give management assurance that poor supplier performance was being addressed.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

319. The requirement for monitoring supplier performance is included in a list of planned works for the next stage of the implementation of the enterprise resource planning system. Subject to budgetary constraints, UNRWA plans to implement "In-tend", the supply and tender management system used by some other United Nations agencies.

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[16] A/68/5/Add.3, chap. II.

320. **In paragraph 72, UNRWA agreed with the Board's recommendation that it: (a) continue to mobilize resources to prevent buildings in bad condition from further deteriorating; (b) prepare a comprehensive long-term asset management plan for its buildings in need of repair, as identified in the valuation report; and (c) develop an asset repair and maintenance policy.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

321. UNRWA continues to mobilize resources and repair buildings as identified by the Agency's assessment. The asset management plan requires UNRWA to repair, monitor and assess its assets on a regular basis. Repairs are carried out in accordance with an annual plan which is developed in each field office, identifying priorities within available resources.

322. **In paragraph 82, UNRWA agreed with the Board's recommendation that it endeavour to the best of its ability to obtain relevant documents to substantiate the right to use buildings and plots of land.**

Department responsible:	Department of Legal Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

323. UNRWA will continue its efforts to obtain relevant documents to substantiate the right to use buildings and plots of land.

324. **In paragraph 88, the Board recommended that UNRWA: (a) expedite the process of developing the inventory policy in order to enhance IPSAS compliance; and (b) assess the closing value for non-inventory to ensure compliance with IPSAS 12.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

325. The Agency's new enterprise resource planning system, REACH, has launched and the business process related to issuing inventories is now coded into the system. All items that were previously treated as "non-inventory" have been converted to inventory as part of the cutover plan. This process created approximately 10,000 new inventory codes eliminating any non-inventory items.

326. **In paragraph 96, UNRWA agreed with the Board's recommendation that it: (a) formalize its results-based management results review processes in a policy or organizational directive; (b) ensure that the results review process takes place as envisaged, at midyear and on an annual basis; and (c) ensure that measures are implemented to support alternative means of collecting performance data from the Syrian Arab Republic field office, for example, through the Internet.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

327. A draft organizational directive has been prepared and it is expected to be finalized by the end of 2015. A report from the Syrian Arab Republic field office on results-based management review is now available.

328. **In paragraph 101, UNRWA agreed with the Board's recommendation that it: (a) set a time frame for establishing an information and communications technology (ICT) steering committee to oversee the implementation and operation of ICT-related functions; (b) develop a business case for deploying an electronic documents management system that will act as a key central repository accessible anywhere and at any time; and (c) set a time frame for and expedite the merging of the RAMCO application support unit under the Finance Department with the application support unit under the Information Systems Division.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

329. The UNRWA ICT Steering Committee was established in July 2013. Despite the many advantages that an electronic document management system would bring, UNRWA does not consider it a priority, given that it currently has very limited financial resources. The RAMCO system will cease to exist, as a new enterprise resource planning system, REACH, has been launched. Staff members of the RAMCO application support unit have been reassigned within the Agency's new information technology structure from July 2015 onwards.

330. **In paragraph 112, UNRWA agreed with the Board's recommendation that it: (a) continue monitoring the loan portfolio in the Syrian Arab Republic with a view to improving its operational self-sufficiency to a level that would enable it to cover its operational costs; (b) improve controls by establishing a loan review committee for the management of loans receivable; and (c) ensure that the general controls of the loan management information system are adequate for the mitigation of ever growing business risks.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

331. During 2013, the Microfinance Department's strategic outlook in the Syrian Arab Republic was to minimize losses to the extent possible and to reach a level that would cover the Department's operational costs by developing strategies that would mitigate the risks of the operations. With regard to currency risk, the Department evaluated the loans receivable portfolio on a quarterly basis and recorded the currency exchange fluctuations. With such data UNRWA was able to reallocate and manage currency devaluation in a better and more efficient way. The Department also rolled out a new management information system in early 2013 that helps to mitigate the operational risk. Further, a loan review committee was established to review loans receivable on a quarterly basis and advise management on compliance and any operational risks.

Report of the Board for the year ended 31 December 2013[17]

332. **In paragraph 24, the Board reiterated its previous recommendation that UNRWA set up specific funding arrangements to fund its end-of-service liabilities, for consideration and approval by the appropriate authorities, including the General Assembly.**

Departments responsible:	Department of External Relations and Communications and Department of Finance
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

333. Refer to the comments of UNRWA in paragraph 247 above on the recommendation in paragraph 23 of the Board's report for the year ended 31 December 2014.

334. **In paragraph 31, UNRWA agreed with the Board's recommendation that it: (a) identify specific IPSAS requirements that are more important for the preparation of financial statements and conduct training for staff of the Finance Department and other departments in order to enhance compliance; and (b) improve coordination between the Finance Department and other departments during the preparation of financial statements to ensure reliability and completeness of reported balances.**

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[17] A/69/5/Add.4, chap. II.

Department responsible:	Department of Finance
Status:	Implemented
Priority:	High
Target date:	Not applicable

335. As part of the implementation of the new REACH system, the Department of Finance enhanced its coordination with various departments involved in the preparation of the financial statements and considered the applicable IPSAS. Training was provided to relevant UNRWA staff regarding the new system and copies of the detailed training manual were distributed for reference.

336. **In paragraph 36, the Board recommended that UNRWA develop a policy on fraud and other corrupt practices, to guide management and other staff members in identifying and reporting fraud-related matters.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

337. UNRWA is working on a comprehensive assessment of the risks of fraud and corruption, as recommended by its Advisory Committee on Internal Oversight. It is important to note that the obligation of all UNRWA staff members to report fraud, corruption or any other form of wrongdoing is laid out in the General Staff Circular No. 5/2007. In addition, awareness on fraud, corruption and related reporting mechanisms is included in the Agency's ethics e-learning course that is mandatory for all UNRWA staff.

338. **In paragraph 40, UNRWA agreed with the Board's recommendation that it undertake a mapping exercise to identify and compile in a single document key internal controls for its business processes with reference to other documents providing detailed procedures.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

339. UNRWA is developing a document that will explain the roles and responsibilities for internal controls related to critical business processes.

340. **In paragraph 43, UNRWA agreed with the Board's recommendation that it: (a) develop and distribute to employees a risk management policy outlining the underlying approach to risk management and mitigating procedures; and (b) ensure that all important risks that are common to UNRWA are assessed and captured in the risk registers at the field offices, thus enabling the development of common procedures for responding to those risks.**

Department responsible:	Department of Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

341. UNRWA has established a risk management practice and maintains risk registers both at its headquarters and field offices. UNRWA includes risk assessments in quarterly reports to its Management Committee. The Department of Internal Oversight Services also develops its workplan on the basis of risk considerations.

342. **In paragraph 48, UNRWA agreed with the Board's recommendation that it conduct a thorough review of the consultant's report and apply the proposed recommendations to improve the operations of the microcredit community support programme without compromising its basic mandate of helping Palestine refugees to achieve their full potential in human development.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

343. UNRWA agrees with the recommendation but notes that owing to its financial crisis, a decision was made to suspend funding to the microcredit community support programme until it is aligned with the relief and social services reform criteria for addressing poverty.

344. **In paragraph 53, the Board recommended that UNRWA: (a) expedite the implementation of a new software system to manage vehicles' workshop operations and record-keeping; and (b) enforce the available operational controls of the vehicles' workshop, including proper record-keeping and the completion of job card forms.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

345. The fleet management system is now in full use in the West Bank and Jordan field offices. The full implementation of the system in the other field offices in Gaza, Damascus and Lebanon is ongoing and it is expected to be completed by the end of 2015.

346. **In paragraph 58, UNRWA agreed with the Board's recommendation that it expedite the evaluation process and adjust the opening and closing inventory balances accordingly to comply with IPSAS 12.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

347. Refer to the comments of UNRWA in paragraph 325 above on the recommendation in paragraph 88 of the Board's report for the year ended 31 December 2012.

348. **In paragraph 63, UNRWA agreed with the Board's recommendation that it: (a) include items procured under project funds during the preparation of procurement plans to benefit from economies of scale; and (b) involve the Chief of the Procurement and Logistics Division and field procurement and logistics officers in the project-level procurement planning at headquarters and in the field to obtain input for the preparation of each procurement plan.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

349. Version 3.0 of the Procurement Manual addresses the concerns raised by the Board and it has introduced a more comprehensive procurement planning methodology for 2016.

350. **In paragraph 66, UNRWA agreed with the Board's recommendation that it: (a) develop and implement a standard methodology and template for procurement planning to bring consistency to its headquarters departments, field offices and project undertakings; and (b) ensure that procurement plans are thoroughly reviewed and agreed by the concerned departments, project managers and the Procurement and Logistics Division to ensure that they contain all the appropriate information before they are implemented.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

351. Refer to the comments of UNRWA in paragraph 349 above on the recommendation in paragraph 63 of the Board's report for the year ended 31 December 2013.

352. **In paragraph 71, UNRWA agreed with the Board's recommendation that it: (a) enforce compliance with the Procurement Manual and minimize ex post facto approval and, where such approval is inevitable, clearly document the factors which necessitated the ex post facto approval; (b) conduct detailed surveys and designs for construction work and ensure thorough reviews of**

survey reports to avoid unnecessary variations; and (c) improve the process of reviewing contents in each bill of quantities and ensure that all necessary items for a particular construction project are included before being approved.

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

353. The Board had previously agreed to close this recommendation subject to the provision by UNRWA of the 2012 and 2013 annual reviews published on submissions to the Director of the Department of Administrative Support and the Advisory Committee on Procurement. The review documents, among other things, cover awards made on an ex post facto basis. UNRWA does not agree with the notion that there is a systematic problem with "unnecessary variations" or "agency estimates/bill of quantities". An independent review of designs and associated bills of quantities is a mandatory governance feature of the construction process and it is always conducted as part of the process.

354. **In paragraph 75, the Board recommended that UNRWA: (a) improve coordination between the procurement department and users at the field offices to ensure that all procurement requirements are identified and communicated to the Procurement and Logistics Division at headquarters on a timely basis, to avoid the unnecessary shortening of the tender periods; (b) perform regular reviews of lead times and inventory balances to avoid emergency orders; and (c) review the grounds for waivers to ensure that they are consistent with current good practice.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

355. The increased functionality provided by the procurement and supply management module of the newly implemented enterprise resource planning system demands that all projects are presented in a detailed way using the work breakdown structure, which allows for the detailed identification of current and future procurement requirements and hence supports the planning efforts between headquarters and the field. The new system's reporting functionality includes enhanced inventory management and reporting tools that will also support demand planning. Version 3.0 of the procurement manual addresses the Board's concerns related to waivers.

356. **In paragraph 81, UNRWA agreed with the Board's recommendation that it: (a) establish a formal evaluation committee to enhance transparency, objectivity, and equity in the bid evaluation process; (b) develop a standardized template for declarations of interest by evaluation committee members; and (c) design and document formal appointment letters for evaluation committee members.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

357. Version 3.0 of the UNRWA Procurement Manual addresses the Board's concerns regarding evaluation committees, conflict of interest declarations and appointment mechanisms.

358. **In paragraph 85, UNRWA agreed with the Board's recommendation that it indicate the financial resources required for each strategic objective in the headquarters and field implementation plans for effective results evaluation.**

Department responsible:	Department of Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

359. UNRWA developed the medium-term strategy for 2016-2021 that includes a table on the estimated financial requirements of the Agency for each of the next six years, disaggregated by strategic outcome, programme, field and funding stream.

360. **In paragraph 89, the Board recommended that UNRWA include the goal on internal governance and support in the upcoming medium-term strategy for 2016-2021 for consistency with the implementation plans for headquarters and the field and the biennium budget.**

Department responsible:	Department of Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

361. The goal on internal governance has been included in the new medium-term strategy for 2016-2021.

362. **In paragraph 93, the Board recommended that UNRWA: (a) establish a mechanism for mobilizing and uploading all vital project documents on the Intranet on a regular basis; and (b) review the project process manual and specifically define the project officer responsible for maintaining and archiving all project documents in one location.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

363. Documents relating to project management are uploaded on the Intranet. Documents that are specific to grant agreements are uploaded onto the Department of External Relations and Communications database that is accessible to the concerned staff. The project process manual has been updated to reflect, among other things, the current environment after the implementation of the new enterprise resource planning system. The finalization of the project procedures manual is expected to be completed by the end of 2015.

364. **In paragraph 97, UNRWA agreed with the Board's recommendation that it: (a) monitor the current trend with regards to programme support costs and ensure that the amount charged is in line with the approved standard rate, and (b) ensure that any deviation from the standard rate is agreed to by donors and approved by the Director of Finance on the basis of a valid and documented justification.**

Department responsible:	Department of Finance
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

365. In the new enterprise resource planning system, programme support costs are calculated directly based on inputs from the grant management module that is managed by the Department of External Relations and Communications. Any deviation from the standard rate is agreed upon by the Department of External Relations and Communications with the donors and recorded in the system after appropriate approval is obtained.

366. **In paragraph 102, UNRWA agreed with the Board's recommendation that it: (a) expedite the recruitment of the project manager for the Nahr el-Bared Refugee Camp; and (b) ensure the timely submission of designs and all project requirements to the Directorate-General for Urban Planning in Lebanon for clearance to avoid further delays and future cost overruns.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

367. The project manager for the Nahr el-Bared Refugee Camp has been recruited. To ensure the timely submission of designs and all related project requirements to the Directorate-General for Urban Planning in Lebanon for clearance, communications and preliminary meetings with the consultant acting on behalf of the Government of Lebanon in relation to this matter, have already taken place. The submission of documentation to the Directorate-General for Urban Planning follows the completion of a validation and preliminary design process, in line with the established participatory design process.

368. **In paragraph 108, UNRWA agreed with the Board's recommendation that it: (a) establish steering committees for construction projects as currently**

required by the project process manual while waiting for the revised manual; and (b) review the project process manual and provide clear guidance on the establishment of project steering committees, including with regard to the composition of the committee members and on the roles and responsibilities of their members, and guidance on the kinds of projects that require a steering committee.

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

369. The updated project procedures manual, which provides guidance on the establishment of project steering committees, is expected to be completed by the end of 2015.

370. **In paragraph 112, the Board recommended that UNRWA: (a) ensure that evidence of staff attendance to an induction course is filed in their respective personal files; (b) consider allocating funds to cover induction courses in the forthcoming biennium budget; and (c) consider alternative methods, other than classroom training (such as e-learning), for delivering induction courses at a lower cost where there are budget constraints.**

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

371. This recommendation is based on audit observations relating to the Lebanon field office, where the last induction course was held on 25 June 2014 and attendance records were placed in staff members' files. Future orientation courses are planned for 2015-2016; however, owing to the financial constraints, priorities in the allocation of funds may be shifted. Meanwhile, as an alternative method, in June 2014, the Human Resources Unit at the Lebanon field office put together a comprehensive orientation booklet that was sent to all new staff members as an integral part of their appointment package. Signed confirmation letters (indicating the receipt of the orientation handbook) are placed in each new staff member's file.

372. **In paragraph 117, the Board recommended that UNRWA incorporate the identification of individual staff training needs in its performance evaluation process to minimize cost.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

373. The new electronic performance evaluation report system has been deployed in all five field offices for international and senior area staff. All other staff will be included during the fourth quarter of 2015. In the meantime, individual staff learning needs are being managed in the legacy system.

374. **In paragraph 121, the Board recommended that UNRWA review the manning staff table by performing detailed assessments so as to eliminate redundant posts and identify key posts that need to be filled in a timely manner to enhance the delivery of services to refugees.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

375. The class formation exercise, which is one of the main workforce planning exercises, is in progress and the final report is expected by the end of 2015.

376. **In paragraph 126, UNRWA agreed with the Board's recommendation that it expedite the planned initiatives to reduce the length of the recruitment process and to enhance the timely delivery of services to refugees.**

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

377. This recommendation was based on the observations of the Board relating to the Lebanon field office, which has indicated that the following initiatives are now in place: (a) the preparation of an annual recruitment plan; (b) weekly updates to the relevant departments; and (c) regular meetings with the relevant departments.

378. **In paragraph 130, the Board recommended that UNRWA actively follow up with the Executive Office of the Secretary-General and the power service provider, to find a lasting solution on the settlement of the electricity bills, to avoid the risk of power disconnection in the refugee camps.**

Department responsible:	Department of Legal Affairs
Status:	In progress
Priority:	Medium
Target date:	Ongoing

379. UNRWA is not responsible for settling any individual debts of Palestine refugees, including payments for their power consumption, whether inside or outside the camps. There is no time limit for settlement implementation and the issue is to be settled politically, not legally. UNRWA is coordinating with the

appropriate authorities in that regard but this issue is not within the Agency's sole control and no solution is expected in the near future.

380. **In paragraph 134, UNRWA agreed with the Board's recommendation that it develop a contingency plan to support the existing enterprise resource planning system in case of further delays in the implementation of the new system.**

Department responsible:	Department of Enterprise Resource Planning
Status:	Implemented
Priority:	High
Target date:	Not applicable

381. The new enterprise resource planning system, REACH, was launched and the contract with RAMCO was extended to 2019.

382. **In paragraph 155, UNRWA agreed with the Board's recommendation that it develop a benefit realization plan for the enterprise resource planning project and integrate it with the project master plan to ensure effective monitoring and the realization of benefits.**

Department responsible:	Department of Enterprise Resource Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

383. The benefit realization plan is being finalized and it is expected to be completed by the end of 2015.

384. **In paragraph 164, UNRWA agreed with the Board's recommendation that it: (a) develop appropriate procedures for erasing information contained in information and communications technology equipment, taking into consideration the sensitivity of the information being handed over to the disposal authorities; and (b) develop security guidelines based on good practice for protecting critical information on mobile devices.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

385. As the current procedures and technical solutions are being assessed, the relevant policy and technical instructions will be updated accordingly.

386. **In paragraph 170, the Board recommended that UNRWA: (a) through its field and department directors, ensure that investigation cases are recorded in the case management system accurately and on a timely basis; (b) recruit additional professional investigators who would report directly to the**

Investigations Division of the Department of Internal Oversight Services and supervise staff involved in investigations at the field offices.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

387. Implementation of part (a) of the recommendation is in progress. With regard to part (b) of the recommendation, UNRWA recruited and deployed two professional investigators.

388. **In paragraph 174, UNRWA agreed with the Board's recommendation that it: (a) expedite the finalization of an evaluation framework to guide and support the evaluation functions within UNRWA; and (b) review the current practice of handling evaluation activities at headquarters departments and field offices on an ad hoc basis with a view to improving the evaluation function.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

389. The framework guiding and supporting the centralized and decentralized evaluation functions has been drafted, including a quality assurance framework and an evaluation policy. The quality assurance framework and draft evaluation policy were discussed with the management of UNRWA and the Advisory Committee on Internal Oversight. Their comments will be integrated in the final evaluation policy that will be tabled at a meeting of the management committee for its final endorsement.

390. **In paragraph 180, the Board recommended that UNRWA enhance the internal control system by expediting the implementation of the high-risk internal audit recommendations.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

391. Refer to the comments of UNRWA in paragraph 315 above on the recommendation in paragraph 178 of the Board's report for the biennium ended 31 December 2011.

392. **In paragraph 185, UNRWA agreed with the Board's recommendation that its Microfinance Department: (a) improve controls by establishing an online**

loan application process in the new Omni Enterprise system in 2014; (b) closely supervise cashiers' activities and issue instructions to the operations team to strictly follow the operational procedures and adopt proper follow-up procedures to address late payments.

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

393. UNRWA established an online loan application procedure, as recommended by the Board. UNRWA also updated its procedural manual, trained its staff on the correct procedures and increased its supervision of the branches. Further, instructions were issued to branch managers requiring them to strictly adhere to follow-up procedures on late payments from clients.

394. **In paragraph 188, the Board recommended that the Microfinance Department of UNRWA pass proper adjusting entries in 2014 to match balances from the register to the ledger by category and include fixed asset modules in the new enterprise resource planning system, which would maintain the link between the asset register and the ledger.**

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

395. The Microfinance Department reclassified the categories of fixed assets to match the relevant balances, as disclosed in the 2013 audited financial statements.

396. **In paragraph 192, UNRWA agreed with the Board's recommendation that its Microfinance Department develop a formal policy and procedure for transferring files exported from the Omni system to the RAMCO system and that it establish a uniform naming convention for all UNRWA information technology resources, including the network and the Omni application.**

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

397. The upload and download process through the interface between the RAMCO and Omni systems has been regularized and it has been enhanced further in the new enterprise resource planning system.

VIII. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[18]

398. The status of implementation of main recommendations as at August 2015 is summarized in table 19.

Table 19
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Unit	2	–	1	1	1	–
Operations Unit and Department of Management	2	1	1	–	–	–
Total	**4**	**1**	**2**	**1**	**1**	**–**
Percentage	**100**	**25**	**50**	**25**		

399. The status of implementation of all recommendations as at August 2015 is summarized in table 20.

Table 20
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Unit	4	–	2	2	2	–
Operations Unit and Department of Management	2	1	1	–	–	–
Total	**6**	**1**	**3**	**2**	**2**	**–**
Percentage	**100**	**17**	**50**	**33**		

400. **In paragraph 15, the Board recommended that the United Nations Institute for Training and Research (UNITAR) review and strengthen its processes of preparation of financial statements including timely collection of all information and its accounts.**

Departments responsible:	Operations Unit and Department of Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

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[18] A/70/5/Add.5, chap. II.

401. UNITAR coordinates closely with the Department of Management and the Controller's Office to strengthen the processes of preparation of financial statements, including timely collection of information.

402. **In paragraph 20, the Board recommended that: (a) the accounting policy applicable to UNITAR for expensing advances to implementing partners below $30,000 be explicitly reflected in the note disclosure and, (b) the total value of advances made during the year that are below the threshold limit be disclosed in the notes to the financial statements.**

Departments responsible:	Operations Unit and Department of Management
Status:	Not accepted
Priority:	High
Target date:	Not applicable

403. In accordance with the United Nations Policy Framework for IPSAS, advances of up to $30,000 qualify to be considered as transfers to end beneficiaries and are therefore expensed immediately. Cases in which the transfers to implementing partners up to $30,000 were expensed at the time of issue of the advances and not recognized as an asset to be expensed later comply with the established accounting policy.

404. **In paragraph 23, the Board recommended that a proper system for timely reconciliation of the UNDP Project Clearing Account be put in place so that any discrepancy in the account can be addressed before the finalization of the financial statements.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

405. UNITAR will make all efforts to ensure the reconciliation of the UNDP Project Clearing Account before the finalization of financial statements. The adoption by UNITAR of the UNDP enterprise resource planning system (Atlas) will facilitate the reconciliation process.

406. **In paragraph 28, the Board recommended that a system be put into place to ensure the timely financial closure of the projects.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

407. UNITAR is enhancing its donor agreement tracking sheet to better monitor financial closure of the projects.

408. **In paragraph 32, the Board recommended that all financial reports be finalized in a timebound manner.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

409. UNITAR has revised its internal controls to ensure that financial reports are submitted to donors in a timely manner, as specified in the letters of agreement. The donor agreement tracking sheet has been enhanced and a reporting reminders system has been rolled out to improve control over reporting obligations.

410. **In paragraph 36, the Board recommended that a mechanism be instituted to monitor and settle the refunds due to donors.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

411. UNITAR promptly refunds donors in accordance with donor agreements. It also relies on the donor agreement tracking sheet to ensure the monitoring of financial reporting and refunds to donors.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

412. In the annex to its report for the year ended 31 December 2014 (A/70/5/Add.5, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the seven recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 21.

Table 21

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Unit	4	–	3	1	1	–
Department of Management	2	2	–	–	–	–
Office of the Executive Director	1	–	–	1	1	–
Total	**7**	**2**	**3**	**2**	**2**	**–**
Percentage	**100**	**29**	**42**	**29**		

Report of the Board for the biennium ended 31 December 2011[19]

413. **In paragraph 22, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, disclose the information about the programme support income, including the definition, the scope and the calculation methodology, in the notes to the financial statements to enable users to better understand the financial statements.**

Department responsible:	Department of Management
Status:	Not accepted
Priority:	High
Target date:	Not applicable

414. The Department of Management did not accept this recommendation, as its implementation would be inconsistent with disclosures in the notes to the financial statements of other United Nations funds and programmes. However, the related information was provided in the financial report on the accounts of UNITAR.

415. **In paragraph 28, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, clearly articulate the definition, scope and percentage of programme support cost and administrative cost in order to increase the transparency and comprehensibility of the financial statements.**

Department responsible:	Department of Management
Status:	Not accepted
Priority:	High
Target date:	Not applicable

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[19] A/67/5/Add.4, chap. II.

416. Refer to the comments of UNITAR in paragraph 414 above to the recommendation in paragraph 22 of the Board's report for the biennium ended 31 December 2011.

Report of the Board for the biennium ended 31 December 2013[20]

417. **In paragraph 11 of A/69/5/Add.5, the Board recommended that UNITAR, in collaboration with the Office of Internal Oversight Services (OIOS), urgently resolve the issues of funding and service cost and establish appropriate internal audit coverage.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

418. UNITAR agreed with OIOS that an internal audit will be conducted by the end of 2015 following approval of the terms of reference by the Finance Committee of the UNITAR Board of Trustees.

419. **In paragraph 31, the Board recommended that UNITAR: (a) conduct a prompt verification of those items not found in the most recent physical inventory and perform reconciliation accordingly; (b) expedite the development of policy and the issuance of guidance on asset classification to ensure that assets are properly classified; and (c) in collaboration with the United Nations Office at Geneva, review Office Instruction No. 176 to ensure that it is IPSAS-compliant with respect to the definition of assets.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

420. UNITAR, in coordination with the United Nations Office at Geneva, completed the verification of discrepancies in the physical inventory and investigated and reconciled all inventory items in July 2015.

421. **In paragraph 34, the Board recommended that UNITAR consult with donors before disposing of the surplus of completed projects and use the funds of the ongoing projects in compliance with the requirements of the letter of agreement.**

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[20] A/69/5/Add.5, chap. II.

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

422. UNITAR ensures that the surplus funds from completed projects are disposed of in accordance with contractual arrangements agreed with donors. During 2014, some 20 dormant projects accounts were closed while a review of other dormant projects is ongoing as part of the conversion to the new enterprise resource planning system.

423. **In paragraph 37, the Board recommended that UNITAR comply with the requirements of the letters of agreement to submit financial reports to donors in a timely manner.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

424. UNITAR has revised its internal controls to ensure that better control over financial reports are submitted to donors in a timely manner, as specified in letters of agreement. The donor agreement tracking sheet has been enhanced and the reporting reminders system has been rolled out to improve control over reporting obligations.

425. **In paragraph 41, the Board recommended that UNITAR, as the end user, take responsibility for vendor performance evaluation, and that the memorandum of understanding between UNITAR and the United Nations Office at Geneva be updated and clarified to this effect.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

426. UNITAR revised its procurement guidelines to require vendor performance evaluation to be conducted in accordance with the requirements of the United Nations Procurement Manual. For contracts awarded with a value above $100,000, UNITAR as the end user will take the responsibility of carrying out vendor performance evaluations. The United Nations Office at Geneva no longer performs procurement actions on behalf of UNITAR.

IX. Voluntary funds administered by the Office of the United Nations High Commissioner for Refugees

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[21]

427. The status of implementation of the main recommendations as at August 2015 is summarized in table 22.

Table 22

Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of External Relations	1	–	1	1	–
Division of Financial and Administrative Management	5	–	5	5	–
Division of Human Resources Management	2	–	2	2	–
Division of International Protection	1	–	1	1	–
Division of Programme Support and Management	1	–	1	1	–
Total	**10**	–	**10**	**10**	–
Percentage	**100**	–	**100**		

428. The status of implementation of all recommendations as at August 2015 is summarized in table 23.

Table 23

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	1	–	1	1	–
Division of External Relations	1	–	1	1	–
Division of Financial and Administrative Management	8	–	8	8	–
Division of Human Resources Management	4	–	4	4	–
Division of International Protection	4	–	4	4	–

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[21] A/70/5/Add.6, chap. II.

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support and Management	3	–	3	3	–
Total	**21**	–	**21**	**21**	–
Percentage	**100**	–	**100**		

429. **In paragraph 12, the Board recommended that the Office of the United Nations High Commissioner for Refugees (UNHCR) work with donors to improve the profiling of resources during the year to facilitate better forecasting, in order to minimize large year-end fluctuations and smooth procurement flows.**

Department responsible:	Division of External Relations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

430. UNHCR continues to work with donors to ensure an increased predictability of funding. For this purpose, the following measures are consistently undertaken: organizing an annual pledging conference at which donors announce their contributions for the coming year; organizing regular bilateral and multilateral meetings with donors, both at a high level and a working level; pursuing conclusion of multi-year framework agreements with major donors, which serves in increasing the predictability of funding and provides more reliable basis for information on core contributions and possible supplementary funds; updating donors' profiles with regular analysis of donors' official development assistance policies, budgets, funding mechanisms and priorities; improving web communication through the Global Focus website, in order to increase the speed at which donors receive information from UNHCR.

431. **In paragraph 18, the Board recommended that, as management implements the global fleet management strategy for 2014-2018, it ensure that it collects the most appropriate metrics and data to assess and demonstrate the realization of the planned benefits as early as possible.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

432. UNHCR engaged the European Institute of Business Administration (INSEAD) to conduct an independent assessment of the implementation of the global fleet management strategy as at the end of 2014. INSEAD has completed its study and submitted a draft report, which is now in the final stage of review and is expected to be formally issued shortly. The study determined measures to assess the

benefits of the strategy, such as the fleet size, average fleet age and the procurement cost. The study described various achievements and demonstrated that fleet size, average fleet age and procurement costs were reduced as a result of implementing the strategy. UNHCR intends to update annually the assessment of the benefits using the same metrics identified in this study, with the assistance of INSEAD or other assessors.

433. **In paragraph 23, the Board recommended that UNHCR adopt data analytics to review compliance with key controls, and build these into a systematic process to identify control exceptions or unusual transactions. Furthermore, management should seek to ensure that the Managing Systems Resources and People (MSRP) upgrade mandates separation of duties and facilitates exception reporting.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

434. In the context of the MSRP upgrade project, UNHCR has decided to implement two governance risk and compliance modules from Oracle, namely, Application Access Control Governor and Transaction Control Governor, which provide features enabling performance of analytics that assist in reviewing compliance with key controls. Governance risk and compliance also enables a systematic process to identify control exceptions or unusual transactions, and facilitates the control of separation of duties and exception reporting. The launch of Oracle governance and risk and compliance is planned during the fourth quarter of 2016 through first quarter of 2017.

435. **In paragraph 25, the Board recommended that UNHCR enhance its internal verification processes to pay greater attention to developing risk-based verification plans; specifically consider the risk of fraud; and extend checks to ensure accountability for the use of assets acquired with project funds in prior years.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

436. UNHCR continues to strengthen its implementing partnership management through the enhanced framework for implementing with partners. The adoption of improved monitoring of reports and risk-based verification of projects implemented by partners is ongoing, and operations are required to fully and consistently apply this across the organization by the end of 2016. To strengthen the accountability exercised over the management of assets acquired with project funds, UNHCR has

enhanced controls by introducing concrete provisions regarding the handling of assets by its partners, in the standard project partnership agreement concluded with each partner. Specifically, partners are required to establish and maintain records that allow for the tracking of all assets, obtain the approval of UNHCR prior to their disposal, and provide periodic reporting of these assets to UNHCR.

437. Furthermore, the Implementing Partnership Management Service is a key participant in the working group established for the fraud prevention project, where the risk of fraud in projects implemented by partners, among other fraud risks, will be thoroughly assessed. The results derived from this exercise will be incorporated in the relevant guidance to be issued as part of the enhanced framework for implementing with partners.

438. **In paragraph 31, the Board recommended that UNHCR establish a clear time frame to finalize the fraud risk assessments and mitigation plans for the most significant risks identified in the fraud prevention project. Furthermore, risk assessments should be used to inform the design of processes within the MSRP upgrade and of structured training for key staff in high-risk areas. The analysis should also be used to inform planning assessments carried out by OIOS and the Inspector-General.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

439. Risks identified through risk assessments have already informed the MSRP upgrade project, and UNHCR will ensure that these will continue to be communicated for consideration in the refinement of conceptual design and implementation, as appropriate. UNHCR will also routinely share findings emanating from risk assessments with OIOS and the Office of the Inspector-General for their further analysis. In respect of training, UNHCR is currently developing a mandatory fraud awareness e-learning module and is exploring other communication methods within the organization to educate staff. In addition, UNHCR is planning to issue a fraud prevention manual that would provide operational guidelines for the implementation of its strategic framework for the prevention of fraud and corruption.

440. **In paragraph 36, the Board recommended that the MSRP upgrade steering committee: (a) ensure that the key priorities are used to draw up a clear statement of benefits against which the success of the project can be measured; and (b) enhance the MSRP project risk process by regular review of the project risk register to consider the quality of mitigation measures and the time frame for addressing identified risks, and to ensure that it is regularly refreshed.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

441. UNHCR will develop a benefits plan in respect of the 18 key priorities already identified, against which the success of the MSRP upgrade project will be measured. The plan will be submitted to the steering committee for its endorsement of the upgrade project at its next meeting. The risk matrix and mitigation activities were provided in the final report on the MSRP upgrade project conceptual design phase submitted to the Information, Communications and Technology Governing Board. The updated risks log, along with the updated mitigation strategies, will be regularly shared with the steering committee of the project.

442. **In paragraph 45, the Board recommended that UNHCR further reviews its costs classifications and definitions, especially across functional types, such as executive and management grades at the country and field office levels, and the programme support functions based at headquarters and in capital cities.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2016

443. In March 2015, UNHCR reviewed the budgetary classification of positions, taking into consideration the related functions, and it reclassified some of them. In response to this recommendation, UNHCR will continue to further review the cost classifications under the functional areas of executive and management grades at the country and field office levels.

444. **In paragraph 52, the Board recommended that: (a) funded overhead costs of international implementing partners included in partner agreements should be reclassified as administrative costs in disclosures in the financial statements; and (b) management review its scrutiny of administrative costs within the budgets of implementing partners to provide better evidence as to how UNHCR achieves value for money from these agreements.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Second quarter of 2016

445. UNHCR will disclose its contribution for the project headquarters support costs of international partners as an additional note to the financial statements. It should be noted that UNHCR already provides information related to implementing partner expenses in the notes to the financial statements, at the level of pillar and rights group and by type of implementing partner. Other information on budget allocations at the account, output, project and partner levels, both in the field and at headquarters, is available and used for decision-making and verification purposes.

446. UNHCR will continue to strengthen the process of reviewing partner expenses. Nevertheless, it should be noted that UNHCR already has procedures in place to review the budgets of implementing partners in detail, and that it substantiates the amounts budgeted against the local costs and the particular project under review. This review is conducted mainly by the operation and supported by headquarters. Partners build their budgets based on line-by-line item costs, separately for each project; hence, implementing partners' costs are visible and scrutinized. Through an internal policy issued in 2014, the rate for the UNHCR contribution to project headquarters support costs was fixed at 7 per cent, which is added to the total budget of the project. This contribution is intended to support international partners that operate out of their country of origin towards their costs for providing administrative and oversight support to field level projects.

447. **In paragraph 55, the Board recommended that management further develop the annual programme review process to build in a consistent framework to demonstrate the efficiency challenges to programme budgets, and to record and summarize the key efficiency outcomes.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

448. UNHCR has in place performance indicators to measure programme performance through several oversight mechanisms on budgetary and expenditure trends, such as those conducted in the annual programme review and the midyear review. Operational costs vary greatly from one operation to another owing to many variables, such as the operational life cycle, location and nature of the mandated activities. UNHCR currently assesses these variations before and during the annual programme review process. With the aim of better serving the financial review process, UNHCR will further strengthen its capacity for analysis by designing and implementing an analysis framework in the context of the annual programme review to be conducted in 2016.

449. **In paragraph 59, the Board recommended that UNHCR, within the scrutiny process, build in an assessment to review country office variances to define metrics by which to assess country plans, including expenditure per refugee per programme; variance in budgetary requirements being unmet; and instances of underspend and overspend compared with outcomes achieved.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

450. UNHCR is preparing a standard procedure for the evaluation of budget submissions that will take into consideration the review of the existing metrics used for assessment. It is to be noted that UNHCR already has in place a process to review budget variances. An analysis of cost per capita is performed when budget changes are requested in order to analyse the impact of such changes. UNHCR also reviews instances of overspend and underspend in relation to achieved outcomes.

451. **In paragraph 68, the Board recommended that UNHCR review the existing scrutiny process, as there is an opportunity to provide further challenge and document at the headquarters level to the cost-effectiveness of proposed interventions. In doing so, UNHCR should review opportunities to include performance metrics which enable cost-effectiveness to be measured.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

452. UNHCR will continue to improve the cost-effectiveness of proposed interventions. A working group will be set up, with the participation of relevant divisions, and it will review and propose measures to streamline the processes currently existing in the organization for assessment and analysis of cost-effectiveness, both at the field operations and headquarters levels. The working group will also be tasked to develop a guidance framework to assist field operations in undertaking consistent analysis of cost-effectiveness.

453. **In paragraph 75, the Board recommended that UNHCR standardize performance indicators, for example, by the maturity of the country's circumstances in delivering education services. In doing so, UNHCR should work closely with country offices to rationalize the selection of indicators to use only those deemed essential rather than being "nice to know".**

Department responsible:	Division of International Protection
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

454. UNHCR will provide further specific guidance on the selection of indicators, not only to define a minimum level of indicators, but to provide guidance to field offices on which indicators are appropriate to their situation and to eventually

establish a maximum number of indicators. Nevertheless, it should be mentioned that Division of International Protection has already made recommendations to field operations on minimum indicators for activities relating to education, child protection and sexual and gender-based violence as part of the integrated approach for these areas of protection.

455. **In paragraph 78, the Board recommended that, as part of the review of the global reporting framework, UNHCR include cluster themes as part of its reporting hierarchy.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

456. UNHCR will conduct further discussions with the Board to better define the scope of this recommendation. Currently, cluster themes are included in various reporting structures. For example, the results framework has an objective specifically covering "coordination and partnerships strengthened", with outputs relating to "coordination mechanisms established" and "joint assessment, planning and evaluation exercises held". The work of UNHCR within clusters is also reported through the global strategic priorities under the area "UNHCR makes effective use of and contributes to improving humanitarian coordination mechanisms". The annual reporting exercise also includes a specific requirement for UNHCR operations to report on "partnerships — coordination and contributions", summarizing the main achievements and challenges in inter-agency coordination, including cluster leadership.

457. **In paragraph 82, the Board supported UNHCR plans to use its Focus system to better link costs and outcomes in each of its business sectors. UNHCR needs to take a tougher, clearer stance on the importance of cost and service performance information, particularly on linkages between education enrolment, delivery, and retention and their impact on achieving good-quality education qualifications. Without such information, fully informed judgements of value for money achieved, or the cost-effective targeting of assistance, are not possible.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

458. While UNHCR operations do review carefully the linkage between costs and outcomes, UNHCR recognizes that there is room for further emphasis on the importance of cost-effectiveness: choosing the most effective combination of outputs to achieve maximum impact and ensuring that the identified outputs are

executed in the most cost-efficient manner. These aspects will be included in the deliberations of the working group referred to in paragraph 452 above in response to the recommendation in paragraph 68 of the Board's report, and reflected in the guidance framework to be developed by this group.

459. **In paragraph 83, the Board recommended that UNHCR headquarters issue central guidance to country teams on cost-effectiveness criteria in education services as an aid to decision-making and resource allocation in education programmes.**

Department responsible:	Division of International Protection
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

460. As mentioned in paragraph 452 above in response to the recommendation in paragraph 68 of the Board's report, a working group will be set up to develop a guidance framework that will assist field operations to undertake consistent analysis of cost-effectiveness across different sectors.

461. **In paragraph 85, the Board noted that there are many cases of steps being taken to establish sustainable solutions. It recommended that such innovations be assessed for their success and, where positive, learning shared. Such interventions could be tailored around the level of maturity of the country concerned (for example, the cohesiveness of UNHCR relationships with Governments and delivery partners such as UNICEF).**

Department responsible:	Division of International Protection
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

462. Further assessment of innovations will be carried out in 2015, tailored to specific contexts, and shared with the field operations. Through the "Seeds for solutions initiative", UNHCR is piloting and documenting innovative approaches to overall comprehensive solutions. The global strategic priorities of UNHCR for 2016-2017 will measure innovative aspects of solutions that will inform future solutions planning and recommendations.

463. **In paragraph 89, the Board recommended that, to be able to assess overall impact, UNHCR work towards collecting accurate data on retention and integration within national systems, and define key performance metrics for all country offices.**

Department responsible:	Division of International Protection
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

464. Using existing systems and tools, and based on lessons learned from the field to date, UNHCR is working on improving data management in education, including on school retention and integration within national systems. Several field missions have been carried out to assess gaps in how data is collected and analysed. Sessions on data management have been included in workshops organized by the Education Unit of the Division of International Protection. Guidance on measuring the extent to which education is integrated into national systems has been developed and will be systematically disseminated to all country offices, including a checklist on key benchmarks for measuring the progress on integration.

465. **In paragraph 93, the Board recommended that UNHCR should include human resources matters in the agenda at senior management meetings, thereby giving them visibility in terms of gender composition, recruitment times of ongoing and completed cases and skills gaps. The UNHCR senior management team should review comparable workforce data, as presented by the Board in table 11 and annex II, to determine its optimal use of resources.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

466. UNHCR will include human resources matters in the agenda of its senior management meetings on a more regular basis, as approved by the Executive Office. Key comparable workforce data of interest to the organization, prepared by the Business Intelligence Unit of the Division of Human Resources Management and informed by consultations between the business and the Division, will be submitted to the Senior Management Committee for periodic review.

467. **In paragraph 100, the Board recommended that UNHCR identify the staff mix and capabilities that are required in future, in order to plan for where the organization will be in the medium and long term and what its staffing needs will be. The human resources strategy should go some way towards supporting that aim. In addition, the Business Intelligence Unit should build up its understanding of the optimal workforce composition and capabilities needed, in order to create a medium- and long-term staffing plan.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

468. UNHCR is committed to significantly reducing the risk of misalignment of its workforce through different complementary initiatives, as follows. The people strategy, to be released in the fourth quarter of 2015, foresees the establishment of appropriate systems and intelligence for analysing trends that may affect demand for the number, location and skills of staff. A strategic human resources unit, under the authority of the Deputy Director and in charge of transformative human resources, will institutionalize workforce planning consultations with the divisions, the bureaux and the Executive Office on a rolling basis. In addition, the Business Intelligence Unit of the Division of Human Resources Management will strengthen its analytical capacity to better anticipate future staffing needs.

469. **In paragraph 104, the Board recommended that UNHCR should learn lessons from staffing reviews focusing upon optimizing the use of resources. In conducting those reviews, UNHCR should engage with other United Nations offices to understand the extent to which core services can be shared across those offices in the respective countries and regions, including opportunities to upskill national staff to fulfil new and wider roles aligned to strategic objectives.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

470. UNHCR will continue to conduct staffing reviews focused on analysing and, if needed, revising the internal structure of its presence in a specific country to ensure the optimal use of resources. Depending on the size, scope and operational context of its operations in a given country, UNHCR will explore, within the course of those reviews, whether it is possible to share services and the extent to which services can be shared with other United Nations agencies present in the respective countries and regions.

471. With regard to the upskilling of staff, UNHCR remains committed to seize the potential of national human resources through appropriate upskilling of locally recruited staff members, particularly in the National Professional Officer category, so that they are enabled to perform functions currently carried out by internationally recruited staff members. In order to overcome current external limitations to this process, UNHCR intends to strongly advocate, during the International Civil Service Commission review scheduled for 2016, in favour of enhancing the use of national officers and of considering a larger scope of individuals for National Professional Officer positions, including permanent residents and individuals with legal working rights in a country.

472. **In paragraph 113, the Board noted that UNHCR has an objective to consider how best to streamline the process, once the system upgrade has been completed in 2016. There are a range of options that could support this and the Board recommended that management consider:**

(a) **Limiting the number of posts that staff can apply for should help to reduce the delays in sifting applications;**

(b) Establishing a roster system so that posts can be classified against generic job profiles as much as possible aligning capabilities to posts, thereby reducing the volume of applications and need for suitable candidates to go through the entire recruitment process;

(c) Setting targets for the number of staff between assignments or beyond their assignment lengths;

(d) Whether certain core or technical specialized functions are exempt from the mobility model, depending upon operational need. This should then free up time for the human resources team to start thinking in a more strategic way about the needs of the business.

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

473. UNHCR remains focused on developing better mechanisms to sift through applications and will look into all possible options to render the process more agile and timely. This includes the MSRP system upgrade, which will allow reducing or eliminating parts of the screening process that at present requires human intervention. A quicker screening response will also be made possible as a result of talent acquisition through enhanced profile-based recruitment, the acquisition of an applicant tracking system for faster and more efficient management of applications, and the introduction of technology to facilitate testing and interviewing of candidates through online channels. UNHCR will look into establishing indicators related to the number of staff between assignments or beyond their assignment lengths, to be used in measuring the overall performance of the talent management and mobility processes.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

474. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.6, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 on the 13 recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 24.

Table 24

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	2	–	2	2	–
Division of Financial and Administrative Management	5	2	3	3	–
Division of Programme Support and Management	5	–	5	5	–
Organizational Development and Management Service	1	–	1	1	–
Total	**13**	**2**	**11**	**11**	
Percentage	**100**	**15**	**85**		

Report of the Board of the year ended 31 December 2010[22]

475. **In paragraph 114, the Board recommended that UNHCR review the various approaches to project tracking across its network in order to identify best practices with wider applicability and assess compatibility with the corporate information technology strategy.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

476. Owing to a number of difficulties encountered with the upgrade of the UNHCR tool for result-based management (Focus Client), consultations are under way to examine whether alternative commercial software applications may provide a long-term solution to meet the organizational management support needs currently provided by the Focus Client system. These discussions incorporate the dimension of enhancing operations' ability for project tracking. At the same time, there have been a number of efforts to enhance the framework for implementing with partners, and these efforts relate directly to the tracking of progress by partners. Upon the establishment of the new Implementing Partner Management Service in 2011, the framework for implementing with partners has been substantially revisited and new policies have been adopted and rolled out, contributing to the further enhancement of tracking and management of project partnerships.

477. In parallel, UNHCR is undertaking a review of other existing good practices such as ActivityInfo used for progress tracking in the context of the inter-agency

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[22] A/66/5/Add.5.

refugee response in a few countries, such as: Jordan, Iraq, and Lebanon. UNHCR is now reviewing ActivityInfo with regard to its functionalities, design and interoperability with the Focus Client database. A pilot test for project progress tracking at the output level is planned in several UNHCR operations on a voluntary basis. UNHCR has not yet reached a final conclusion as to whether ActivityInfo is the best system for project progress tracking. It is premature to ascertain whether the platform can facilitate both quantitative data recording at the operation or field office level and qualitative data management, and to assess its performance, costs, effectiveness and efficiency.

Report of the Board of the year ended 31 December 2012[23]

478. **In paragraph 68, the Board recommended that UNHCR: (a) designate a senior risk officer with a clear mandate to implement the updated anti-fraud strategic framework; (b) perform a comprehensive fraud risk assessment to identify its main areas of risk exposure; and (c) define its tolerance for the different types of fraud risk identified.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

479. In 2014, UNHCR has initiated a project to develop a fraud prevention implementation plan, in line with the requirements of the strategic framework for the prevention of fraud and corruption, issued in 2013. As part of that project, a cross-functional working group was established, with broad representation from the field and headquarters, to develop a plan to improve the existing measures or establish new procedures for fraud prevention, where needed, and to increase fraud awareness within the organization. The first structured fraud risk assessment for field offices was launched in 2014 and was completed in the first quarter of 2015. The results of the country fraud risk assessments are being incorporated into a corporate fraud risk register. UNHCR is further exploring ways to establish an acceptable level of risk in respect of those fraud risks identified, based on its objectives and risk tolerance. UNHCR has also established its corporate risk register within the enterprise risk management framework. This register routinely captures fraud-related risks at a summary level, based on the detailed fraud risk assessment spearheaded by the Division of Financial and Administrative Management.

480. **In paragraph 76, the Board recommended that UNHCR require country representatives to conduct fraud risk assessments in relation to all implementing partners as part of its overall risk-based approach.**

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[23] A/68/5/Add.5.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

481. UNHCR is developing instructions for field offices on project risk management, which will provide further guidance on assessment (including fraud risks) for projects implemented by partners, the establishment of appropriate controls for the prevention of fraud and enhancing the requirements of ethical conduct by the personnel of implementing partners. In 2014, field offices were required, in line with the strategic framework for the prevention of fraud and corruption, to perform a comprehensive fraud risk assessment that included, among other things, the risks associated with the activities implemented through partners. UNHCR is undertaking a fraud prevention project that, among other things, analyses the risks associated to partnerships. The project will also deal with the aspects of fraud prevention in relation to implementing partners, the outcome being awareness among field offices on the potential risk areas and red flags when implementing through partners.

482. In addition, an investigation specialists roster, administered on behalf of UNHCR by the Danish Refugee Council, was established in December 2014. It is composed of experienced investigators available to carry out investigations for non-governmental organization partners that lack their own investigative capacity.

483. **In paragraph 105, the Board recommended that UNHCR include in the new fleet management manual guidance on how to assess alternatives to the use of distant garages when remote servicing can result in excessive mileage, extended vehicle downtime and high transit costs. Guidance should include requirements for: (a) periodic testing of local markets for the availability of closer commercial maintenance facilities of the requisite standard; (b) periodic review of the scope for United Nations agencies, non-governmental organizations and implementing partners to procure maintenance collectively, to leverage greater bargaining power or attract reliable operators to open facilities nearby; (c) consideration of the maintenance of a stock of oil and filters at the field office level to enable the most basic (category A) servicing to take place in the field.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

484. The approach for managing repair and maintenance of vehicles in UNHCR will be developed in the next phase of the global fleet management project, which started in early 2015 and is expected to be completed by the end of 2016. The team leader for the maintenance and repair initiative has taken up his post and a request for information related to global services for repair and maintenance was launched

in the second quarter of 2015. Based on the responses, a request for proposal will be launched in the third quarter of 2015. It is expected to have a contract in place by the first quarter of 2016 and to start the roll-out thereafter.

485. **In paragraph 109, the Board recommended that, as part of the global fleet management project, UNHCR develop a vehicle safety section within the fleet management manual: (a) emphasizing the need for the proactive management of vehicle safety in the country offices; and (b) requiring the quarterly analysis of driver performance on the basis of satellite tracking data, such as excessive maximum and average speeds, excessive driving hours and vehicle use outside working hours.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

486. UNHCR issued its fleet management handbook in June 2015, which includes a section on vehicle safety. This was further supported by an organization-wide safe road use campaign that was successfully launched on 10 June 2015 to further strengthen the efforts of UNHCR on road safety. Finally, UNHCR issued the policy on global fleet management vehicle tracking covering safety aspects. UNHCR has implemented tracking devices in all vehicles that are being rented out under the global fleet management scheme to replace vehicles managed by the field. It is expected that the majority of UNHCR vehicles will be equipped with tracking devices by the end of 2015.

487. UNHCR has developed key performance indicators for fleet management that measure, among other things, driver performance. As mentioned above, as soon as a sufficient number of global fleet management vehicles with tracking devices are rolled out to a particular country office, the reports recommended by the Board will be available for that office. UNHCR will start the roll-out of the fleet management training during 2015, which will enable offices to generate reports on driver performance.

Report of the Board of the year ended 31 December 2013[24]

488. **In paragraph 30, the Board recommended that UNHCR evaluate the performance of the biometric registration procedures implemented in Jordan, with a view to concluding its work to provide a standard global system for the biometric identification and registration of refugees.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

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[24] A/69/5/Add.6.

489. UNHCR will ensure that lessons learned from the implementation of registration procedures within the Jordan operation are fully taken into account, as appropriate, in the development of global biometrics registration procedures. The UNHCR country office in Jordan developed terms of reference for an evaluation of the performance of the biometric registration procedures implemented in Jordan. The evaluation, expected to be completed in the last quarter of 2015, will document the experience of the country office with biometrics, with a focus on the procedural aspects of the tool's deployment. Pending completion of the evaluation, UNHCR has drawn upon its experience with the solution currently applied in the situation in the Syrian Arab Republic to inform the development of the global biometric identity management system. Lessons learned from the application of that solution include the importance of tracking false match and false non-match rates within the system, the requirement for integrating the system with proGres version 3 software, the need for local servers to support offline or disconnected environments, and the need for cheaper and more flexible biometric capture devices.

490. **In paragraph 36, the Board recommended that UNHCR explore whether greater use could be made of partner agreements extending beyond 12 months.**

Department responsible:	Division of Financial and Administrative Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

491. UNHCR is currently exercising some flexibility to allow the extension of the implementation period of partner agreements, depending upon the availability of funds and operational requirements. This flexibility can be further enhanced if donors would subscribe to a reliable and firm commitment for multi-year funding to allow the planning, implementation and conclusion of agreements beyond 12 months. UNHCR will continue this flexibility exceptionally in relation to those specific activities for which multi-year funding has been secured. However, currently UNHCR is faced with the following constraints in extending partnership agreements beyond 12 months: (a) donor contributions are normally pledged for a year; (b) the UNHCR organizational budget is approved on an annual basis; and (c) the Office needs to maintain flexibility in order to respond to existing and newly arising emergency situations.

492. UNHCR has carried out an analysis of the feasibility of multi-year agreements and, as part of that process, also verified the practices adopted by other United Nations system agencies. Based on this analysis, UNHCR has noted that the amount committed and earmarked by donors for multi-year specific activities is not significant. In addition, the needs of operations in the field demand frequent changes of partnerships. Consequently, given the constraints identified above and the risks associated with this approach, UNHCR concludes that, while some degree of flexibility could be exercised on a case-by-case basis, as explained above, it cannot adopt a standard practice to enter into multi-year agreements with partners.

493. **In paragraph 45, the Board recommended that UNHCR evaluate the costs and benefits of basing the regional bureau in Amman to determine whether any lessons can be learned for existing or future operations.**

Department responsible: Organizational Development and Management Service

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

494. UNHCR is planning to conduct an internal review of costs and benefits of basing the Regional Refugee Coordinator/Director of the Regional Bureau for the Middle East and North Africa in Amman to improve the existing management/governance structure. The review will also aim to draw lessons for the future design of structures for managing large-scale and rapidly evolving emergencies. The Organizational Development and Management Service and the Director of the Regional Bureau for the Middle East and North Africa are discussing the timing and modality for this exercise. Furthermore, draft terms of reference and a questionnaire have been developed and shared with the regional bureau for finalization. A senior UNHCR official has also been assigned for the review.

495. **In paragraph 50, in view of the success of the initiative in the Syrian Arab Republic, the Board recommended that UNHCR explore the scope for wider use of online geographical information systems such as ActivityInfo.**

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

496. ActivityInfo represents a relational database storing information linked to locations. Its current architecture is geared towards quantitative data that can be linked to a map. In the case of the response to the Syrian refugee situation in Jordan, ActivityInfo has been used to manage information from various actors involved in the inter-agency refugee response, and performance/activity related information. ActivityInfo usage in the Jordan office showed that it provided flexibility to report on project activities on a monthly basis. After having reviewed the benefits of the application by the UNHCR office in Jordan, agencies involved in the coordinated refugee response in Iraq and Lebanon successfully implemented the ActivityInfo in their respective operations. Furthermore, the introduction of ActivityInfo is under consideration in Egypt and Turkey in the context of the inter-agency response to the Syrian refugee situation.

497. In addition, UNHCR is reviewing with UNICEF and the company that initially developed this tool the potential to further advance and upgrade the database to have it as a readily available tool to support data and information management in the context of cluster (inter-agency) responses for situations involving internally displaced persons.

498. **In paragraph 56, the Board, given the major scale of the UNHCR Jordan cash programme and the plans to expand it to other countries, recommended**

that UNHCR commission an independent expert evaluation of the programme, with the aim of reporting before the end of 2014.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

499. UNHCR commissioned an independent evaluation from Transtec on the organization's response to the refugee influx in Jordan and Lebanon, which is now completed and available on the UNHCR public website. Other studies are ongoing, including an analysis by the Norwegian Refugee Council of cash-based distribution of non-food items in refugee camps in Jordan, the Oxfam report on the impact of cash distributions on Syrian refugee households in host communities and informal settlements in Jordan and the UNHCR study on coping mechanisms among Syrian refugees in four countries in the region. After assessing the preliminary results and analysis provided by the aforementioned evaluations and studies, UNHCR concluded that, although rich in information, they do not provide sufficient grounds or insights to substitute for the independent evaluation of the cash programme recommended by the Board. As such, planning of the evaluation of the Jordan cash assistance programme is to be initiated in the last quarter of 2015.

500. **In paragraph 86, the Board recommended that UNHCR issue central guidance to country teams on cost-effectiveness criteria in health services as an aid to decision-making and resource allocation in health programmes.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

501. UNHCR will develop guidance for country teams on cost-effectiveness criteria, as recommended by the Board, using published international data and best practices. The final document is expected to be ready in the fourth quarter of 2015.

502. **In paragraph 101, the Board recommended that UNHCR issue updated guidance to clarify the circumstances in which implementing partner agreements are unsuitable and commercial procurement may be more appropriate.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

503. Information that describes the criteria and circumstances under which procurement should be implemented through either partner organizations or directly through commercial providers has already been introduced through various documents issued by UNHCR. The policy and guidance note on the selection and retention of partners for project partnership agreements has established the criteria and the process in which UNHCR evaluates the suitability or non-suitability of partners for a specific operational requirement, such as procurement. The policy on procurement by partners with UNHCR funds requires, among other due diligence measures, offices to undertake and document a cost-benefit analysis before designating procurement to a partner. The instructions on detailed planning and budgeting published for 2014 and 2015 included requirements to conduct cost-benefit analysis to select the most viable and efficient implementation arrangement.

504. UNHCR will reiterate in the upcoming annual instructions and comprehensively present in a relevant guidance document all the analysis that operations need to conduct in order to assess and select the most efficient implementation arrangement from either commercial contracts or implementing partnerships.

505. **In paragraph 105, the Board, in order to strengthen the implementing partner selection process, recommended that UNHCR: (a) enhance its due diligence procedures with regard to the initial vetting of partners to include reference checks, where appropriate; and (b) in consultation with other United Nations agencies and the wider humanitarian community, develop mechanisms to share intelligence on implementing partners.**

Department responsible:	Division of Financial and Administrative Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

506. In July 2013, UNHCR issued a policy, accompanied by detailed procedures and guidance, to ensure an objective and transparent process for the selection of partners to undertake projects with UNHCR funds. In addition, in May 2015, UNHCR launched an innovative and interactive web-based partner portal for enhanced communication between UNHCR and its partners in respect of project partnerships. The portal also provides a repository of accurate data on partners, and it requires partners to register and present their profile. It thus aids in the vetting of the background of partners. It also provides a view on dashboards to track and maintain up-to-date funds disbursement to partners for undertaking projects. It provides a forum for issuing calls for expression of interest for projects to be

undertaken by potential partners. Interested partners may respond by presenting a concept note to apply for such calls. UNHCR staff and partners are being trained on the use of the portal.

507. UNHCR discussed mechanisms of sharing information with UNDP, UNICEF and the United Nations Population Fund (UNFPA). UNHCR participated in a meeting of the High-level Committee on Management of the United Nations Chief Executives Board for Coordination in October 2014, where discussions were held on the harmonized system-wide approaches to fraud perpetrated by implementing partners. The UNHCR Office of the Inspector-General is also taking part in inter-agency discussions on sharing fraud-related information as part of its participation in various forums, such as the Conference of International Investigators, which brings together investigators from the United Nations and other agencies from around the world to discuss issues of common concern in the field of investigations and corruption.

X. Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[25]

508. The status of implementation of the main recommendations as at August 2015 is summarized in table 25.

Table 25

Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	2	–	–	2	2	–
Office for Operations and Evaluation Office	1	–	1	–	–	–
Total	**3**	–	**1**	**2**	**2**	–
Percentage	**100**	–	**33**	**67**		

509. The status of implementation of all recommendations as at August 2015 is summarized in table 26.

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[25] A/70/5/Add.7, chap. II.

Table 26
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	7	–	1	6	6	–
Office for Operations/ Evaluation Office	1	–	1	–	–	–
Total	**8**	**–**	**2**	**6**	**6**	**–**
Percentage	**100**	**–**	**25**	**75**		

510. **In paragraph 26, UNEP agreed with the Board's recommendation that it: (a) formulate appropriate rules or guidelines to require fund management officers to create sub-accounts information in the Programme Information Management System (PIMS) whenever initiating projects; and (b) review and monitor the accuracy of PIMS data in the future.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

511. On 1 June 2015, UNEP migrated to Umoja and PIMS was delinked from IMIS. A new version of PIMS is currently under development for the provision of thematic progress information only. Meetings and discussions have taken place with the Umoja business intelligence team in New York, who have committed to set up a platform that links the new PIMS thematic data with the financial data stored in Umoja. The platform will allow the required reports to be produced for management and the UNEP governing bodies.

512. **In paragraph 30, UNEP agreed with the Board's recommendation that it include in the envisaged new version of PIMS all key project processes to ensure the provision of consolidated reports and improvement in the capacity for the inclusion of all key project processes.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

513. An updated version of PIMS is being worked on, with consideration being given to including the entire project cycle. Furthermore, UNEP is actively working with the Umoja business intelligence team in New York to integrate the PIMS thematic data with the Umoja financial data to provide consolidated reports.

514. **In paragraph 36, UNEP agreed with the Board's recommendation that it review its programme manual by including clear procedures and authority for project cancellations.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

515. UNEP is in process of reviewing its programme manual with respect to authority for project cancellations.

516. **In paragraph 40, UNEP agreed with the Board's recommendation that it revise its programme manual to include procedures required for handling emergency approvals.**

Department responsible:	Office for Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

517. There is a special process for emergency situations already in place where project approvals are "fast-tracked" to avoid the loss of any donor funding.

518. **In paragraph 45, UNEP agreed with the Board's recommendation that it look at the ways of ensuring that the Evaluation Office is provided with adequate resources to initiate and manage independent project-level evaluations to the required level, and that project closure time frames are adhered to.**

Departments responsible:	Office for Operations and Evaluation Office
Status:	Implemented
Priority:	High
Target date:	Not applicable

519. The UNEP programme manual has been updated in terms of procedures to ensure that all projects approved since 2014 have adequate budgets for evaluations and to ensure that evaluations are conducted within the required time frame.

520. **In paragraph 49, UNEP agreed with the Board's recommendation that it: (a) enhance the assessment of the implementing partners to ensure that they have the ability to deliver the projects; and (b) plan and monitor the implementation of projects more closely.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

521. Under the UNEP partnership policy adopted in October 2011, the ability of implementing partners to carry out the required interventions, together with their financial standing, is assessed. However, this does not apply to government implementing partners. The planning and monitoring of the implementation of projects will be done more closely for the UNEP Regional Office for Asia and the Pacific.

522. **In paragraph 54, UNEP agreed with the Board's recommendation that it ensure that expenditure reports are obtained from all implementing partners to offset advances and that inter-office vouchers are reconciled immediately with United Nations agencies.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

523. UNEP continues to make every effort to liquidate advances due from project implementing partners and to reconcile inter-office vouchers with United Nations agencies. In this respect, a major reconciliation exercise was carried in the first half of 2015 as part of the preparations for the implementation of Umoja.

524. **In paragraph 58, the Board recommended that the UNEP-Global Environment Facility (GEF) strengthen procedures for the follow-up of expenditure reports from executing partners, including the sending of regular reminders on timely submission of the expenditure reports to facilitate the timely financial closure of the projects.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

525. UNEP continues to improve its procedures for ensuring timely receipt of expenditure reports from project executing partners and periodically issues further guidelines to officers responsible for projects.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for the prior financial periods

526. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 on the six recommendations assessed as "under implementation" by the Board is summarized in table 27.

Table 27

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	5	–	4	1	1	–
Office for Operations and Department of Management	1	–	–	1	1	–
Total	**6**	**–**	**4**	**2**	**2**	**–**
Percentage	**100**	**–**	**67**	**33**		

Report of the Board for the biennium ended 31 December 2013[26]

527. **In paragraph 26, UNEP agreed with the Board's recommendation that it: (a) require funds management officers to closely monitor project budget implementation to ensure that project expenditures are in line with approved allotments; (b) improve controls over the project funds and perform monthly reconciliations to allow for proper authorizations before any redeployment is effected; and (c) liaise with the United Nations Office at Nairobi to improve budgetary controls within IMIS, if it is considered beneficial to undertake any reconfiguration before it is replaced by the new enterprise resource planning system, Umoja.**

Department responsible: Office for Operations
Status: Implemented
Priority: High
Target date: Not applicable

528. UNEP migrated to the Umoja system from 1 June 2015 and therefore, this recommendation is fully implemented.

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[26] A/69/5/Add.7, chap. II.

Report of the Board for the biennium ended 31 December 2011[27]

529. **In paragraph 69, the Board reiterated its previous recommendation that UNEP set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly. The Board recognized that UNEP would need to seek guidance from United Nations Headquarters on this matter.**

530. UNEP has communicated with the Department of Management at United Nations Headquarters and the relevant policy will soon be set.

Departments responsible: Office for Operations and Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

Report of the Board for the biennium ended 31 December 2009[28]

531. **In paragraph 38, UNEP agreed with the Board's recommendation that it: (a) continue to prepare for the implementation of IPSAS in collaboration with the United Nations Office at Nairobi; and (b) specify its needs for the migration of the Crystal software to the future enterprise resource planning system of the Secretariat (Umoja).**

Department responsible: Office for Operations

Status: Implemented

Priority: Medium

Target date: Not applicable

532. UNEP adopted IPSAS from 1 January 2014. The first set of IPSAS-compliant financial statements for the year ended 31 December 2014 have been audited and an unqualified audit opinion was issued by the Board. UNEP also migrated to Umoja on 1 June 2015. Crystal software is still in use for extracting financial information and reports for the first five months of 2015 and for prior periods, but it is no longer in use for periods after 31 May 2015.

533. **In paragraph 88, the Board recommended that UNEP, in collaboration with the United Nations Headquarters Administration, revise its accounting treatment of education grants.**

Department responsible: Office for Operations

Status: Implemented

Priority: Medium

Target date: Not applicable

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[27] A/67/5/Add.6, chap. II.

[28] A/65/5/Add.6, chap. II.

534. From 1 January 2014, the accounting treatment for education grants applied is IPSAS-compliant.

535. **In paragraph 177, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it: (a) take advantage of the upcoming implementation of the new enterprise resource planning system to eliminate journal voucher entries; and (b) strengthen internal control over journal voucher entries and the access rights to make them.**

Department responsible:	Office for Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

536. UNEP migrated to the Umoja system from 1 June 2015 and therefore, this recommendation is fully implemented.

Report of the Board for the biennium ended 31 December 2007[29]

537. **In paragraph 44, UNEP agreed with the Board's recommendation that it set up specific funding to balance in its accounts its liabilities for end-of-service and post-retirement benefits, particularly health insurance.**

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

538. Refer to the comments of UNEP in paragraph 530 above on the recommendation in paragraph 69 of the Board's report for the biennium ended 31 December 2011 (A/67/5/Add.6).

XI. United Nations Population Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[30]

539. The status of implementation of the main recommendations as at August 2015 is summarized in table 28.

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[29] A/63/5/Add.6, chap. II.

[30] A/70/5/Add.8, chap. II.

Table 28

Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	–	1	1	–
Division for Management Services	1	–	–	1	1	–
Division for Human Resources and Programme Division	1	–	–	1	1	–
Programme Division	1	–	–	1	1	–
Total	**4**	**–**	**–**	**4**	**4**	**–**
Percentage	**100**	**–**	**–**	**100**		

540. The status of implementation of all recommendations as at August 2014 is summarized in table 29.

Table 29

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	2	–	–	2	2	–
Division for Human Resources	1	–	–	1	1	–
Division for Human Resources and Programme Division	1	–	–	1	1	–
Division for Management Services	4	–	–	4	4	–
Programme Division	2	–	–	2	2	–
Total	**10**	**–**	**–**	**10**	**10**	**–**
Percentage	**100**	**–**	**–**	**100**		

541. **In paragraph 16, the Board recommended that UNFPA: (a) speed up the process of developing an enterprise risk management framework that outlines the underlying approaches to risk management and mitigation strategies to guide UNFPA management in identifying, assessing and addressing risks at all levels of operations; and (b) establish risk registers at the operational level and a consolidated register at the strategic level outlining the categories and nature of the risks which may affect UNFPA in delivering its mandate.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

542. The UNFPA enterprise risk management strategy, which includes 12 top corporate risk areas, namely, 11 strategic risk areas plus fraud, was discussed and approved at the meeting of the Executive Committee held on 10 June 2015. Members of the Executive Committee have been selected to form a UNFPA risk committee. These risk owners will chair risk treatment working groups that will meet periodically to address specific organizational risks and coordinate mitigation strategies with subject matter experts. The strategy highlights clear support from the top, introduces change in incremental steps, leverages existing resources, harmonizes existing risk management activities and embeds ongoing improvements to enterprise risk management, knowledge-sharing and continuing education into the business fabric of the organization. In July 2015, UNFPA launched its first corporate risk assessment consisting of two parts: a strategic risk assessment; and a fraud risk assessment. Both assessments are supported by the strategic information system. During the strategic risk assessment, business units are required to assign a criticality rating for each of the identified risk factors and assign a member of staff equipped and empowered to respond to that specific risk factor. The fraud risk assessment is designed to raise risk awareness, communicate best practices throughout the organization and provide feedback to improve internal controls and policies. Business units are asked first to assess an inherent risk level (i.e., risk before response measures) for each identified risk factor, then assess the effectiveness of existing risk response measures and then evaluate the residual risk level (i.e., risk after response measures).

543. September 2015 marks the beginning of the risk response cycle. Moreover, each year in March, the Risk Committee will reassess existing risks to further fine tune its risk factors and responses.

544. **In paragraph 23, the Board recommended that UNFPA: (a) update the guidelines for decentralized offices to clearly define and outline different arrangements for decentralized offices for establishing and managing operations; (b) continue to develop comprehensive business cases and seek retroactive approval for the remaining decentralized offices; and (c) incorporate the organization chart of decentralized offices and its reporting lines into the organization structure of country offices.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

545. UNFPA undertook a comprehensive review of its decentralized offices regarding the availability of business cases and approvals from regional offices and it secured retroactive approvals, where required. UNFPA will update its existing

decentralized offices guidelines to define clearly and outline the different types of decentralized office arrangements, including their linkages with the organizational structure of country offices.

546. **In paragraph 28, the Board recommended that UNFPA (a) ensure that monitoring and assessment visits are undertaken for effective performance of implementation activities at decentralized offices; (b) define the role of the focal points for decentralized offices and provide a clear guidance on what support and oversight the focal points should provide; and (c) establish performance targets and set systematic monitoring and assessment criteria for the focal points to ensure that they deliver as according to the UNFPA mandate.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

547. UNFPA will further define the support and oversight role of the focal points for decentralized offices in the next revision of its guidelines. The performance targets, monitoring and assessment criteria of individuals (including focal points) are managed through the corporate performance appraisal and development application and, for UNFPA business units, through the corporate strategic information system.

548. **In paragraph 34, the Board recommended that UNFPA: (a) include performance indicators, targets and baselines for expected outputs in the workplans of all its approved implementing partners; and (b) ensure that the assessment of the performance of the implementing partners in delivering the UNFPA core mandates is based on those performance indicators, targets and baselines.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

549. The global programming system will be further enhanced to ensure that all 2016 workplans, including those of the implementing partners, will include output indicators, targets and baselines. This enhancement is scheduled to be introduced in September 2015.

550. **In paragraph 39, the Board recommended that UNFPA: (a) strengthen its monitoring procedures for implementing partners to ensure adequate performance of programme implementation activities; and (b) prepare monitoring plans that can be achieved within the time frame.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

551. The global programming system phase II functionality, expected to be launched in the fourth quarter of 2016, will include reporting on workplan progress by implementing partners. Payments to implementing partners will be subject to proper and timely reporting on implementation progress and results. The global programming system phase II functionality will also require timely submission of the Funding Authorization and Certificate of Expenditure forms, which is a requirement before making any payments to implementing partners.

552. **In paragraph 44, the Board recommended that UNFPA perform regular reconciliations of data between combined delivery reports and Funding Authorization and Certificate of Expenditure forms on a quarterly basis, in accordance with the national expenditure audit guide.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

553. The requirements for reconciliations between combined delivery reports to Funding Authorization and Certificate of Expenditure forms are detailed in the guidance provided to all business units. A reminder will be included in the questionnaire that is completed by business units as part of the preparation phase for the implementing partners audit.

554. **In paragraph 50, UNFPA agreed with the Board's recommendation that it: (a) clean up the data and manual adjustments in the eService application before the end of the year to record the leave liability accurately, and thereafter monitor the leave records consistently through the system; and (b) configure the eService application so that it does not allow for negative leave balances beyond the maximum advance leave days allowed on the policy.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

555. UNFPA will ensure that the data and the manual adjustments in the eService application are cleaned up before the end of 2015, as prescribed by the leave policy. UNFPA will also ensure that the eService application is reconfigured so as not to allow for negative leave balances beyond the maximum advance leave allowed.

556. **In paragraph 55, the Board recommended that UNFPA continue to develop a global comprehensive database for maintaining, recording and periodically updating key information on consultants and service contracts to improve control, monitoring and reporting on special service agreements and service contracts at field offices.**

Department responsible:	Division for Human Resources and Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

557. UNFPA has a global database for service contracts and updates it on a regular basis. UNFPA will leverage the use of the consultant roster, which will be a database for the new individual consultant's modality, which will replace the special service agreements.

558. **In paragraph 60, the Board recommended that UNFPA: (a) establish a robust supply chain mechanism to ensure that there is effective delivery and distribution of procured inventories to the intended beneficiaries by field offices; and (b) develop tools that will enable country offices to monitor the timeliness and effectiveness of inventory distribution, including regular tracking of key metrics such as percentage of execution of distribution plans and inventory levels held at service delivery points.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

559. UNFPA is continuously working on improving its systems to facilitate effective inventory management. As part of these efforts, UNFPA is launching a new, enterprise resource planning-integrated inventory tracking system, entitled Shipment Tracker (replacing the existing Channel System). The new system will enable the tracking of the flow of commodities throughout the full procure-to-pay cycle, starting from requisition and ending with ultimate distribution to the UNFPA implementing partners and beneficiaries. This system will also provide users and management with live information on the status of commodities at any time. It will also enable the development of analytical and diagnostic tools providing management with such key metrics as the volume of goods available for distribution, aged inventory balances and so forth. The data will enable management to take timely actions to address identified weaknesses, such as long delivery times or bottlenecks within the in-country logistic chains. Shipment Tracker is currently in the final stages of testing and is expected to be launched in the third quarter of 2015.

560. **In paragraph 63, UNFPA agreed with the Board's recommendation that it: (a) speed up the investigation on the unusual credit balances in the**

individual salary advance accounts; and (b) consider instituting an automated system to control staff advances at field and head offices.

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

561. UNFPA has made good progress in clearing outstanding staff advances. A detailed action plan has been developed for the prioritization, review and clearance of the remaining outstanding aged balances. It is expected that, by the end of 2015, the number of open items will be reduced significantly. UNFPA is working on the automation of the Atlas human resources module for the management of staff advances at both field and head offices. All such advances are now requested through and approved by UNFPA headquarters, enabling an appropriate linkage between the issue and recovery processes.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

562. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.8, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the 10 recommendations from prior periods assessed as "under implementation" by the Board is summarized in table 30.

Table 30

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	3	–	–	3	3	–
Division for Human Resources	3	–	–	3	3	–
Division for Management Services	1	–	–	1	1	–
Procurement Services Branch	1	–	–	1	1	–
Programme Division	1	–	–	1	1	–

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Programme Division/ Division for Management Services	1	–	–	1	1	–
Total	**10**	**–**	**–**	**10**	**10**	**–**
Percentage	**100**	**–**	**–**	**100**		

Report of the Board for the biennium ended 31 December 2011[31]

563. **In paragraph 84, the Board recommended that UNFPA address the weaknesses in its regional office architecture, as recommended by the Division for Oversight Services.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

564. UNFPA has revised its organizational handbook that addresses the issue of oversight of country offices by regional offices. Weaknesses in the regional office architecture have been strengthened with the recruitment of resource mobilization and communications officers. In addition, human resources strategic partners are currently located in each regional office. Performance and results monitoring of all business units (including regional and country offices) are being undertaken with the strategic information system that provides a standardized way for all UNFPA units to plan, monitor and report on results. UNFPA is committed to addressing the findings of the Division for Oversight Services (now Office of Audit and Investigation Services) reported in its internal audit reports on UNFPA country and regional offices and corporate processes. UNFPA management is paying special attention to the issues of inadequate control and risk management identified by audits of country offices and the pending recommendations of the 2011 audits of governance and contracts.

565. **In paragraph 147, the Board considered that the findings of the Division for Oversight Services reflected deficiencies in the areas concerned and the Board underscored the need for UNFPA to address those deficiencies.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

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[31] A/67/5/Add.7, chap. II.

566. Refer to the comments of UNFPA in paragraph 564 above on the recommendation in paragraph 84 of the Board's report for the biennium ended 31 December 2011 (A/67/5/Add.7).

Report of the Board for the year ended 31 December 2012[32]

567. **In paragraph 45, the Board reiterated its earlier recommendation that UNFPA enhance control over use of special service agreements and only allow special service agreements that are consistent with its policy.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

568. UNFPA issued a comprehensive revised individual consultant policy in July 2015. Three previous policies on hiring consultants under special service agreements have been combined into a streamlined single individual consultant policy that governs the hiring of international and local consultants, and aligns with the new structure of the consultant roster, evaluating them at the end of each contract and retaining high-quality ones. Even though the hiring of consultants under the special service agreement modality is delegated to managers in the field, the new consultant roster will allow managers to have access to comprehensive information on consultants and enhance control over the use of special service agreements.

569. **In paragraph 49 of A/68/5/Add.7, UNFPA agreed with the Board's recommendation that it abide by the service contract policy by conducting evaluations of service contracts two months prior to the expiration date and provide justification for the renewals.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

570. This recommendation is addressed by the revised UNFPA policy on service contracts of July 2014, which provides UNFPA country offices with access to the new UNDP service contract handbook and addresses other issues noted by the Board regarding the use of service contracts, including performance evaluation.

571. UNFPA continues to work in partnership with UNDP to record service contract data in the Atlas system. A new online tool to facilitate the assessment of service contract performance prior to the end or renewal of the contract has been developed, and UNFPA is in the process of developing the guidelines for the tool and its communication organization-wide.

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[32] A/68/5/Add.7, chap. II.

Report of the Board for the year ended 31 December 2013[33]

572. **In paragraph 21, UNFPA agreed with the Board's recommendation that it consider harmonizing the implementing partner capacity assessment tool and the harmonized approach to cash transfers to improve the assessment of implementing partners.**

Departments responsible:	Programme Division and Division for Management Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

573. In March 2015, the UNFPA Audit Monitoring Committee decided that the questions in the implementing partner capacity assessment tool related to programme management capacity and other areas overlapping with microassessment, such as implementing partner governance, human resources and finance and procurement, will be harmonized among the three HACT agencies (UNICEF, UNDP and UNFPA) and will be incorporated into the HACT microassessment. The inter-agency work to undertake this revision was commissioned in June 2015. The agencies have engaged a company to undertake this revision as part of a larger revision of the HACT microassessment. The question in the implementing partner capacity assessment tool related to the technical capacity of partners and their comparative advantage in the UNFPA mandate area will be streamlined into its selection process for implementing partners. The UNFPA policy for the selection and assessment of implementing partners will be revised accordingly.

574. **In paragraph 25, the Board recommended that UNFPA agree, along with the implementing partners, to abide by the terms of their engagement and ensure that the signing of annual workplans is completed in advance of the implementation of any new projects.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

575. UNFPA launched the global programming system in November 2014. Since then, there is full transparency of UNFPA workplans, including the date that they were signed. This further strengthens the policy that stipulates workplans have to be signed prior to implementation. The global programming system enables easier monitoring of compliance and quality assurance.

576. **In paragraph 34, UNFPA agreed with the recommendation of the Board that it adhere to the recruitment guide by: (a) ensuring that the hiring of service-contract holders is not used as a substitute for the recruitment of fixed-**

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[33] A/69/5/Add.8, chap. II.

term officers; (b) ensuring that whenever service-contract holders are hired, the length of their contracts should not exceed the contract periods stipulated in the service contract user guide; and (c) reconfiguring the web-based tool to improve the monitoring and evaluation of the performance of special service agreements and service contracts in a timely manner.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

577. UNFPA is conducting a one-time review of all existing service contracts to adjust contracting modalities, where necessary. Subsequently, human resource strategic partners will examine new service contracts terms of reference on an ongoing basis to ensure that the service contract policy is being complied with.

578. **In paragraph 44, UNFPA agreed with the recommendation of the Board that it collaborate with other United Nations agencies to establish long-term agreements with suppliers for services utilized by the field offices on a regular basis.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

579. UNFPA procurement procedures contain clear guidelines on cooperation with other entities, especially with regard to the creation and use of contracts. In addition, there are guidelines on common United Nations procurement that were published by the Procurement Network of the High-level Committee on Management in 2012. Adherence to those guidelines would strengthen the collaboration of United Nations country teams in procurement, as the guidelines show many examples of different types of collaborative procurement in country offices, including by establishing joint long-term agreements, sharing existing long-term agreements or by using the procurement services of another United Nations agency. In parallel, the UNFPA Procurement Services Branch regularly follows up with country offices to include collaborative procurement in their workplans in order to improve their country procurement strategies.

580. **In paragraph 50, UNFPA agreed with the Board's recommendation that it continue enhancing its efforts to bridge the funding gap in the outstanding liabilities in employee benefits within the proposed time schedule.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

581. Multiple efforts have been made by the UNFPA management to enhance the funding for the employee benefit liabilities in order to bridge the gap that is driven by forces outside of UNFPA management's control, for example, market interest rates that bear heavily on the results of the actuarial valuation exercise. Hence, keeping the focus on the continued efforts by UNFPA management, the following actions have been taken:

(a) The appointment of an external fund manager for the investment of the after-service health insurance funds that will help to generate an improved rate of return;

(b) Surcharges to the payroll costs of each staff member;

(c) The redeployment of interest income on ASHI funds;

(d) The annual allocation of discretionary funding by the senior management.

582. UNFPA believes that its management has done everything possible to address this gap. The remaining action will be a transfer of funds to the investment management during the fourth quarter of 2015. Further, UNFPA is a member of the dedicated Finance and Budget Network Working Group of the High-level Committee on Management (created in response to General Assembly resolution 68/244) that is reviewing system-wide opportunities to improve efficiency and cost-effectiveness of the management of after-service health insurance operations.

583. **In paragraph 58, the Board recommended that UNFPA determine the levels of assurance appropriate for business units ranked as being high- and medium-risk and empower its internal audit with resources, as appropriate, to adapt its audit cycles to the chosen assurance level.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

584. In consultation with the UNFPA Office of Audit and Investigation Services, management will determine the levels of assurance appropriate for business units ranked as high- and medium-risk and will present its proposal to the Executive Board at its second regular session of 2016 for relevant consideration and alignment of internal audit resources, as required.

XII. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[34]

585. The status of implementation of the main recommendations as at August 2015 is summarized in table 31.

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[34] A/70/5/Add.9, chap. II.

Table 31

Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Programme Division	1	–	–	1	1	–
Egypt country office	1	–	–	1	1	–
Total	**2**	**–**	**–**	**2**	**2**	**–**
Percentage	**100**	**–**	**–**	**100**		

586. The status of implementation of all recommendations as at August 2015 is summarized in table 32.

Table 32

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Division	2	–	–	2	2	–
Programme Division	1	–	–	1	1	–
Egypt country office	2	–	–	2	2	–
Myanmar country office	1	–	–	1	1	–
Total	**6**	**–**	**–**	**6**	**6**	**–**
Percentage	**100**	**–**	**–**	**100**		

587. **In paragraph 21, the Board recommended that the United Nations Human Settlements Programme (UN-Habitat) strengthen its internal mechanisms to: (a) improve the preparation, presentation and accuracy of financial statements; (b) develop its own standard operating procedure to provide guidance on the recording and accounting for the assets that are not covered by the IPSAS policy framework; and (c) ensure that all outstanding concessionary loans are reported at fair value, in compliance with IPSAS provisions.**

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

588. Building on its successful implementation of both IPSAS in 2014 and Umoja on 1 June 2015, UN-Habitat will further strengthen its internal controls and procedures during the rest of 2015 by considering the lessons learned from the implementation exercises.

589. **In paragraph 25, the Board recommended that UN-Habitat: (a) determine the risks that might affect project implementation in advance of the execution phase to minimize the negative effects of delaying the intended benefits for the societies involved; and (b) plan and manage the recruitment process of experts in the field office to ensure that there is timely and adequate staffing for improved project performance.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

590. As part of the current roll-out of enterprise risk management across the organization, UN-Habitat will be formally managing and monitoring project risks, including risks related to recruitment and procurement.

591. **In paragraph 30, the Board recommended that UN-Habitat ensure that the Egypt country office: (a) sensitize the community about the benefits in order to obtain the desired support from the stakeholders; and (b) plan for the procurement of materials in advance of a project's execution phase to facilitate the achievement of the milestones within the set time frame.**

Department responsible:	Egypt country office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

592. While some of the project delays were as a result of events outside the control of UN-Habitat, the Egypt country office will conduct a review of all delayed projects and take appropriate corrective actions.

593. **In paragraph 34, the Board recommended that UN-Habitat streamline the payment processes and monitor their implementation to ensure adherence to its deadline of 35 days.**

Department responsible:	Myanmar country office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

594. The Myanmar country office of UN-Habitat is reviewing all project delays and will take appropriate corrective actions.

595. **In paragraph 40, the Board recommended that UN-Habitat ensure that the assessment of its achievements is more meaningful by collaborating with the Egypt country office to ensure that the annual workplans are aligned with performance indicators, targets and baseline data.**

Department responsible:	Egypt country office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

596. UN-Habitat will conduct a review of all the projects of the Egypt country office and ensure that they incorporate adequate performance indicators, targets and baseline data.

597. **In paragraph 44, UN-Habitat agreed with the Board's recommendation that it consider the possibility of speeding up the process of fixing electronic barcodes on all assets under its control in order to ensure the completeness of the property, plant and equipment register.**

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

598. Each asset in UN-Habitat is automatically assigned a unique barcode number once it is recorded in the asset management system. These barcodes are printed out and fixed on assets. Since all assets from the audited field offices were recorded, all of them have assigned barcode numbers. However, the originally printed barcodes were easily becoming defaced owing to the harsh weather conditions and there was a delay in getting better quality barcodes printed for the field offices. This issue will be addressed by Umoja, as all barcodes will be printed at the point of receipt of assets and UN-Habitat is in the process of buying better quality barcode printers.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for the prior financial periods

599. In the annex to its report for the biennium ended 31 December 2014 (A/70/5/Add.9, chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2014 regarding the four recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 33.

Table 33

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented/ overtaken by events*	*In progress*	*Target date set*	*No target date*
Operations Division	1	1	–	–	–
Operations Division and Department of Management	2	1	1	1	–
Urban Economy Branch	1	1	–	–	–
Total	**4**	**3**	**1**	**1**	**–**
Percentage	**100**	**75**	**25**		

Report of the Board for the biennium ended 31 December 2013[35]

600. **In paragraph 29, UN-Habitat agreed with the Board's recommendation that it improve its monitoring of project budget implementation by: (a) establishing adequate authorization controls over the use of project funds for proper redeployments; and (b) maintaining liaison with United Nations Headquarters to address the budgetary control gaps in IMIS.**

Department responsible:	Operations Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

601. Umoja, which was implemented in June 2015, deals effectively and comprehensively with the concerns raised by the Board. Umoja has enhanced fund management and monitoring controls by preventing project overexpenditures and providing adequate monitoring reports.

602. **In paragraph 39, UN-Habitat agreed with the Board's recommendation that it: (a) set a timeline to implement the resolution of its Governing Council in identifying a suitable partner to run the Experimental Reimbursable Seeding Operations Trust Fund and draw up comprehensive terms of reference for adequate operations and risk management; (b) set up and document a clear monitoring and assurance framework for the use and accountability of Experimental Reimbursable Seeding Operations funds; and (c) closely follow up the repayment from each borrower and ensure they adhere to the repayment schedule.**

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[35] A/69/5/Add.9 and Corr.1, chap. II.

Department responsible:	Urban Economy Branch
Status:	Implemented
Priority:	High
Target date:	Not applicable

603. UN-Habitat updated its Committee of Permanent Representatives on the status of the implementation of its Governing Council resolution 23/10 that it had been unable to find a suitable partner or structure to transfer the Experimental Reimbursable Seeding Operations Trust Funds portfolio to. Considering the small size of the portfolio, UN-Habitat will administer the portfolio in-house. UN-Habitat undertook field missions in February and March 2015 to conduct surveys of individual beneficiaries of projects funded by the Experimental Reimbursable Seeding Operations in three countries to ascertain whether individual loans had been used by end-users for the intended purposes of respective projects. The results gathered were satisfactory and demonstrated that the funds were being used for the intended purposes. An additional mission to a fourth country is scheduled to take place by December 2015. UN-Habitat has also closely monitored the loan repayments, all of which have been on schedule so far.

Report of the Board for the biennium ended 31 December 2011[36]

604. **In paragraph 24, UN-Habitat agreed with the Board's recommendation that it review the costs and benefits of introducing procedures to mitigate exchange rate risks and losses. In coordination with the United Nations Office at Nairobi, and subject to guidance from United Nations Headquarters, this could include commercially available solutions.**

605. This recommendation has been overtaken by events, since Umoja centralizes the management of currency balances in the Controller's Office at United Nations Headquarters.

Departments responsible:	Operations Division and Department of Management
Status:	Overtaken by events
Priority:	High
Target date:	Not applicable

606. **In paragraph 36, the Board reiterated its previous recommendation that UN-Habitat set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.**

607. The Controller's Office will issue guidance following the discussion by management and analysis of the financial statements for the year ended 31 December 2014. Depending on guidance received, UN-Habitat will seek relevant authorization from its Governing Council and the General Assembly.

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[36] A/67/5/Add.8, chap. II.

Departments responsible:	Operations Division and Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

XIII. United Nations Office on Drugs and Crime

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2014[37]

608. The status of implementation of the main recommendations as at August 2015 is summarized in table 34.

Table 34

Status of implementation of main recommendations

Division responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division for Management	4	–	4	4	–
Division for Management and Division for Operations	1	–	1	1	–
Multiple offices	3	–	3	3	–
Total	**8**	**–**	**8**	**8**	**–**
Percentage	**100**	**–**	**100**		

609. The status of implementation of all recommendations as at August 2015 is summarized in table 35.

Table 35

Status of implementation of all recommendations

Division responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division for Management	9	1	8	7	1
Division for Management and Division for Operations	1	–	1	1	–
Multiple offices	4	–	4	4	–
Total	**14**	**1**	**13**	**12**	**1**
Percentage	**100**	**7**	**93**		

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[37] A/70/5/Add.10, chap. II.

610. **In paragraph 9, the Board recommended that management embed the financial disciplines required by IPSAS across its operations, and that staff engage in the maintenance of timely and accurate financial records and fully utilize the better quality financial information outputs to support its decision-making.**

Department responsible: Division for Management
Status: In progress
Priority: High
Target date: Third quarter of 2017

611. This recommendation will be implemented gradually during the implementation of Umoja and will be fully rolled out during the preparation of the 2016 financial statements. It is envisaged that the implementation of Umoja will introduce systematic IPSAS compliance to many business processes that are currently affected negatively by non-integrated systems.

612. **In paragraph 18, the Board recommended that the United Nations Office on Drugs and Crime (UNODC) develop fraud risk assessments to identify areas where it is most susceptible to fraud within its operations. These should be used to inform the development of risk mitigation plans to focus training and targeted exception reporting to detect cases of fraud.**

Department responsible: Division for Management
Status: In progress
Priority: High
Target date: Second quarter of 2017

613. Planning for the development of a fraud framework that will enable proper fraud risk assessments, risk mitigation plans and training, has commenced already. The efforts of UNODC in respect of fraud frameworks will be aligned with similar efforts undertaken at the United Nations Secretariat level. Further, UNODC expects to gain relevant benefits from the implementation of Umoja through enhanced processes and visibility of field office transactions.

614. **In paragraph 22, the Board recommended that management: (a) further improve the quality of the analysis of budget variances reported to senior management and that these should include clear actions to redeploy or reprofile the budget, where appropriate; and (b) review the budget and cost allocations between the activities of the Drug and Crime Programmes to strengthen the segmental reporting within the financial statements.**

Department responsible: Division for Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2015

615. It should be noted that the implementation of this recommendation is significantly hindered by the existence of tightly earmarked funds (special purpose contributions) that constitute 97.5 per cent of total extrabudgetary funds. Accordingly, the recommendation would be most appropriate to the general purpose funds and only upon consultation with relevant donors. Nevertheless, UNODC aims to improve the quality of the analysis of budget variances reported in the quarterly reports on its financial situation. Further, redeployments between projects and funds take place as funding is received and the level of the project budget is revised. The formal approval of the commissions is sought once a year, when the performance report is submitted to them for their approval.

616. **In paragraph 26, the Board recommended that management: (a) establish clear project milestones and resource plans at the local UNODC level to ensure a successful transition to Umoja, especially in respect of data cleansing, so as to minimize the impact on the preparation of the financial statements for 2015; and (b) develop a clear timeline on how remaining legacy system risks will be addressed.**

Department responsible:	Division for Management
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

617. The Umoja deployment team in New York centrally prepares the deployment milestones for all cluster 4 entities, including for UNODC and the United Nations Office at Vienna. This includes the milestones for data cleansing and other preparatory activities. In addition, a fit-gap analysis on legacy systems completed in December 2014 determined which systems were to be retained and which ones would be replaced by Umoja functionality. Any legacy systems that required data feeds from Umoja have been identified and prioritized by the Information Technology Governance Group for building of the interfaces.

618. **In paragraph 32, the Board recommended that UNODC: (a) build on the new initiatives and develop a clear strategy to link its overall strategic aims to underlying programmes and projects, and projects should be reviewed against these objectives to ensure that they are sufficiently aligned to strategy; (b) ensure that the project approval stage confirms alignment with the agreed strategic objectives of UNODC; and (c) consider improved guidance and training to reinforce the principle of alignment.**

Departments responsible:	Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

619. The current procedures for programme and project preparation require the submitting office/manager to clearly document how the programme/project is linked to the UNODC strategic framework. Each project in the UNODC portfolio is classified under one of the subprogrammes of the strategic framework; therefore, there is already a link between the UNODC projects and strategic aims as defined in the strategic framework. At the project approval stage, alignment to the UNODC strategy is checked by quality assurance focal points in the regional sections. Such alignment must also be confirmed on the interoffice memorandum that accompanies the project approval submission to the Programme Review Committee. Nevertheless, in the new UNODC project structures for Umoja, all projects will have clearer and enhanced results-based management frameworks, with direct reference to the relevant subprogramme of the UNODC strategic framework. The Strategic Planning and Interagency Affairs Unit of the Division for Policy Analysis and Public Affairs continues to run training courses on project design and approval for offices in need. A special training segment on overall alignment will be introduced.

620. **In paragraph 33, the Board recommended that UNODC ensure consistent use of the standard outcomes that have been developed for each thematic area in all its programmes and projects so as to ensure alignment with strategic objectives.**

Departments responsible:	Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

621. Programmes and projects are fully aligned with the standard outcome indicators, as reflected in the respective thematic programmes. UNODC will continue to ensure consistent use of standard indicators in the mandatory logical framework for all new projects and programmes or in the revision of old projects that were in place before the standard indicators were developed.

622. **In paragraph 40, the Board recommended that UNODC: (a) utilize the improved cost data to inform strategies for funding priorities and efficiency programmes; (b) complete the roll-out of full cost recovery to projects, strengthening guidance and training support to enable staff to understand the principles and how they should be applied to project activity; and (c) introduce an assurance/review process to ensure that the costs are consistently and reliably classified across the business in line with the framework.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

623. The implementation of full cost recovery was rolled out in a manner and pace that was realistic to ensure the sustainment of the field office network and the minimization of disruptions to programme delivery. The complete implementation of full cost recovery will take place in 2016-2017. The relevant and final transitional provisions will be documented in the consolidated budget of that biennium.

624. **In paragraph 44, the Board recommended that, to embed an evaluation culture, individual project managers should take responsibility for their project to be evaluated. Compliance with this activity should be included in the performance appraisal system. Furthermore, the implementation rates of evaluation recommendations should be monitored by senior management.**

Departments responsible:	Division for Operations, Division for Treaty Affairs, Division for Policy Analysis and Public Affairs and Office of the Executive Director (Independent Evaluation Unit)
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

625. Evaluation is part of the programme management cycle. As such, it can be assessed in the e-PAS under the relevant programme management goals if it forms part of the essential goals in a given annual workplan. On that basis, staff and managers can include the assessment of major evaluation tasks during the performance appraisal. The Independent Evaluation Unit will present the rate of implementation of the evaluation recommendations to the Executive Director and to Member States.

626. **In paragraph 50, the Board recommended that management: (a) complete the roll-out of the risk management process and collate the information in divisional and field registers into an organizational risk register; (b) regularly review and update the register to facilitate its use as an operational tool for decision-making across UNODC; and (c) should consider whether it remains appropriate for the aggregation of UNODC and the United Nations Office at Vienna risks in the same register.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Operations/Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

627. The divisional level risk registers will be submitted to the UNODC Management Coordination Committee in September/October 2015 and the field office level registers will be finalized by the end of December 2015 and submitted

to that Committee in early 2016. It is anticipated that the enterprise risk management framework supporting risk-informed decision-making by senior management will be fully operational in 2016. A comprehensive review of the risk register to be undertaken in 2016 will assess whether it remains appropriate for the UNODC and the United Nations Office at Vienna risk registers to be combined.

628. **In paragraph 54, the Board recommended that the Human Resources Management Service use staff surveys to canvass all staff on a wider range of human resources matters to support its management of the workforce by informing strategies for staff deployment, training and capacity.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

629. UNODC, with the cooperation of the substantive offices, has commenced the development of the appropriate survey and it will be implemented in the first quarter of 2016.

630. **In paragraph 57, the Board recommended that management further develop its understanding of project staffing requirements by reviewing, within the constraints of the United Nations Secretariat global staffing model, processes to headquarters and regional staffing plans, balancing an optimal use of resources between Headquarters, field staff and grade profiles.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

631. UNODC will work with substantive offices to develop their projections of staffing requirements for the next five years, for both field and headquarters locations. Once such projections are available, UNODC will identify training needs and ways of addressing them.

632. **In paragraph 65, the Board recommended that UNODC should: (a) within the constraints of the United Nations Secretariat global staffing model, build a model for the optimal workforce composition, capability and training needs in a medium- and long-term staffing plan; (b) use the opportunity afforded by Umoja to improve the collection of comprehensive workforce data, and utilize this to plan recruitment and the staff and capability requirements to meet the future anticipated needs of the business; and (c) consider the re-establishment of "roving teams" within headquarters that can support field offices on a short-term basis.**

Department responsible: Division for Management
Status: In progress
Priority: High
Target date: Second quarter of 2016

633. UNODC is conducting training needs analysis by looking at the different occupational groups and the training staff members have previously received. It will also canvass the needs of work units as well as those of the individual staff members to determine requirements in terms of the skills and capacities needed for the next three years. Research is also being performed on what training is available in-house and at other organizations that UNODC may be able to tap into to close the skills gap. The introduction of Umoja will offer an enhanced business intelligence capability that UNODC will utilize. UNODC is an integral part of the United Nations Secretariat and as such it operates fully within the framework of the Organization. Once Umoja is implemented and the new modus operandi becomes clear, UNODC will work on having "roving teams" available, whenever required and within its budgetary and resource constraints.

634. **In paragraph 71, the Board recommended that UNODC improve the quality of the data collected on recruitment and track the impact of any delays in the process on operational delivery.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Second quarter of 2016

635. UNODC relies on the currently available systems and tools to extract the appropriate statistical data. The implementation of Umoja is expected to offer more sophisticated business intelligence capabilities that will be used to better track the relevant end-to-end processes throughout the Organization.

636. **In paragraph 72, the Board recommended that UNODC learn lessons from UNHCR and others that use a mobility framework and ensure that the implementation of the framework is informed by their observations.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Ongoing

637. In 2016, the United Nations Secretariat will be rolling out the career development and mobility framework. UNODC will apply the United Nations Secretariat mobility model with due regard to similar frameworks in other agencies such as UNHCR, wherever possible.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

638. In annex I to its report for the year ended 31 December 2014 (A/70/5/Add.10, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the 13 recommendations assessed as "under implementation" by the Board is summarized in table 36.

Table 36

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented overtaken by events*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	1	1	–
Division for Management	7	1	6	6	–
Multiple offices	5	1	4	4	–
Total	**13**	**2**	**11**	**11**	–
Percentage	**100**	**15**	**85**		

Report of the Board for the biennium ended 31 December 2013[38]

639. **In paragraph 20, UNODC agreed with the Board's recommendation that any system enhancements be coordinated to benefit both the immediate user and the corporate need. The ability to easily monitor and review financial management information centrally is severely limited by the functionality and fragmentation of the systems. At the same time, UNODC operates a highly decentralized system of controls.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

640. This recommendation will be implemented within Umoja where integrated functionality is the norm. As a first step, UNODC designed project structures to enable both results-based management and the operational aspects of project execution. A fit-gap analysis has also been undertaken to address possible functionality shortfalls in Umoja. This fit-gap analysis is under review by the Office of Information and Communications Technology at United Nations Headquarters.

641. **In paragraph 26, UNODC agreed with the Board's recommendation that it strengthen its quarterly review activity so that validity and accuracy of**

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[38] A/69/5/Add.10, chap. II.

unliquidated obligations are assured, and consider increasing guidance and oversight in this area to better ensure that commitments are updated timeously.

Department responsible:	Division for Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

642. With the upcoming implementation of Umoja, the review of outstanding obligations has intensified. As of 31 July 2015, unliquidated obligations/travel requests were reduced to $33.3 million. The United Nations Office at Vienna and UNODC have taken action to ensure that only valid obligations are transferred into Umoja and that travel claims are filed within two weeks after the completion of travel.

643. **In paragraph 34, UNODC agreed with the Board's recommendation that it develop solutions for IPSAS implementation and embed timely data entry and validation requirements into the business as a matter of urgency.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

644. Refer to the comments of UNODC in paragraph 611 above relating to the recommendation in paragraph 9 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.10, chap. II).

645. **In paragraph 38, UNODC agreed with the Board's recommendation that, by July 2014, it finalize its organizational risk register by prioritizing the risks and identifying mitigating actions. The register should be reviewed regularly by the senior management team of UNODC, and action taken to mitigate any risks that arise.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

646. The risk registers at the divisional level will be submitted to the Management Coordination Committee in September/October 2015 and the registers at the field office level will be finalized by the end of December 2015.

647. **In paragraph 46, UNODC agreed with the Board's recommendation that, on a regular basis, it analyse the reasons for project revisions and extensions in order to assess whether the current project-based approach is the most efficient way to secure funding to deliver its outcomes and to determine the scope to improve project planning.**

Departments responsible:	Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

648. Challenges, major risks and key lessons learned are normally reported in the annual programme progress report for regional, country and global programmes. These reports are reviewed and assessed each year by the Programme Review Committee, which may provide recommendations on the programme as a whole, including the specific programme approach, design and funding perspectives. UNODC notes that the introduction of Umoja will bring about major changes in the processes for developing, clearing and approving projects and project revisions. In the process of the Umoja roll-out and stabilization from late 2015 through 2016, UNODC will review the best options to reduce process steps involved in project and project budget revisions.

649. **In paragraph 58, UNODC agreed with the Board's recommendation that it review current reporting requirements, both for internal purposes and for donors, to determine whether there is a more economical way to carry out such reporting, for example, by streamlining or rationalizing reporting requirements or by minimizing the input required by project staff.**

Departments responsible:	Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

650. UNODC is in the process of implementing Umoja and work has started at the interdivisional level to identify how new reporting features of Umoja could help to streamline the current reporting processes and systems. A key aspect will be the design of proper coding block structures to take advantage of integrated processes offered by Umoja.

651. **In paragraph 75, UNODC agreed with the Board's recommendation that it enhance its framework for the engagement of external parties.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

652. Overall, a number of the enhancements were made and included in the published manuals on the framework for the engagement of external parties from April 2014. Of the eight suggestions made by the Board, five have been fully implemented and the remaining three will be considered in the first revision of the framework manuals in March 2016.

653. **In paragraph 77, UNODC agreed with the Board's recommendation that it, in particular its Division for Operations, monitor compliance with the framework for the engagement of external parties and, by July 2015, analyse whether its introduction has resulted in any significant changes in the pace or scope of project delivery.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

654. A review of the framework for the engagement of external parties' procedures and manuals to ensure better compliance and understanding of the associated processes is to be completed in December 2015. To ensure compliance with the provisions of the framework for the engagement of external parties, project clearance now includes a review by the External Party Engagement Unit for any project which intends to engage parties outside of the procurement process.

655. **In paragraph 82, UNODC agreed with the Board's recommendation that it identify a means to secure assurance that field office procurement is being undertaken in accordance with procurement rules of UNODC and the United Nations Office at Vienna.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

656. The working model of procurement activities in UNODC field offices will be systematically determined by the supplier relationship management workflow in Umoja. By November 2015, all field office staff members who are involved in procurement activities will be trained to conduct procurement tasks in the source-to-acquire module of Umoja. Purchasing cases which are processed locally by UNDP will be directed through the workflow to the United Nations Office at Vienna

Procurement Unit for further procedures. Umoja implementation will enhance the ability of the Procurement Unit to monitor field office procurement activities.

657. **In paragraph 85, UNODC agreed with the Board's recommendation that it determine if, as a result of inadequate staffing, any field offices are not applying appropriate separation of duties, in line with good procurement practice.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

658. The issue of segregation of duties has been considered in the user access mapping process for Umoja. UNODC is actively ensuring that staff are not assigned to conflicting roles. For example, assignment to a delegated purchasing authority role will prevent assignment to a certifying role and this will mitigate the risks in the field offices.

659. **In paragraph 87, UNODC agreed with the Board's recommendation that field offices work with UNODC headquarters to develop and maintain a formal record of vendor performance that can be easily drawn on in future procurement exercises.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

660. Procurement vendor data (registration and maintenance of vendor profiles as well as vendor performance) will be centralized in Umoja. This will facilitate the review and reporting of the number of vendor performance reports that are actually completed and will also facilitate future procurement exercises.

Report of the Board for the biennium ended 31 December 2011[39]

661. **In paragraph 93, UNODC agreed with the Board's recommendation that, by September 2012, all new project proposals: (a) clearly and succinctly define the problem that a project is intended to address; (b) establish a clear baseline against which to assess delivery, or provide a clear explanation of how the baseline will be established; and (c) identify and document the material risks and mitigating actions, including setting aside an element of contingency within project budgets, to address unknown risks.**

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[39] A/67/5/Add.9, chap. II.

Department responsible:	Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	Overtaken by events
Priority:	High
Target date:	Not applicable

662. Parts (a) and (b) of the recommendation have been implemented. UNODC now assesses that part (c) of the recommendation is no longer feasible, as contingencies of this kind must be negotiated on a donor-by-donor basis. Further, contingencies often exist in individual budget lines where warranted. In addition, specific contingencies are included when they are known, for example in cases of ramp down of operations. Therefore, UNODC requests that the recommendation be closed as it cannot be implemented across the board. Where possible and agreeable with donors, existing and new projects will carry contingency provisions.

663. **In paragraph 105, the Board recommended that UNODC: (a) establish a detailed methodology for evaluating the Regional Programme for East Asia and the Pacific; (b) use the experience to inform the methodology for the remaining regional programmes; and (c) complete the evaluations in time to inform future regional programme development.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

664. UNODC considers parts (a) and (b) of the recommendations as fully implemented. The Independent Evaluation Unit is currently finalizing four in-depth evaluations of regional programmes and wishes to reiterate that the methodology for every evaluation is developed according to the specifics of the project/programme. This is evident from the published in-depth evaluation reports. UNODC accepts that there is a challenge of completing evaluations in time to inform future regional programme development. One of the reasons for the delay is the evaluability of programmes. As a response, the Independent Evaluation Unit is piloting an evaluability assessment to be applied in the early stage of the programme to ensure a timely final evaluation of programmes.

XIV. United Nations Office for Project Services

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[40]

665. The status of implementation of the main recommendations as at August 2015 is summarized in table 37.

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[40] A/70/5/Add.11, chap. II.

Table 37

Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
People and Change Practice Group	7	1	6	6	–
Business Innovation and Improvement Programme	2	–	2	2	–
Executive Office/Finance Practice Group	2	–	2	2	–
Total	**11**	**1**	**10**	**10**	**–**
Percentage	**100**	**9**	**91**		

666. The status of implementation of all recommendations as at August 2015 is summarized in table 38.

Table 38

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
People and Change Practice Group	16	1	15	15	–
Business Innovation and Improvement Programme	3	–	3	3	–
Executive Office/Finance Practice Group	2	–	2	2	–
Total	**21**	**1**	**20**	**20**	**–**
Percentage	**100**	**5**	**95**		

667. **In paragraph 15, the Board reiterated its previous recommendation that UNOPS review its operational reserve policy and establish, with the approval of its Executive Board, clear plans for the use of surplus reserve balances and, to this effect, establish a target reserve to manage this reduction.**

Departments responsible:	Executive Office and Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

668. UNOPS will utilize a portion of the reserves to fund investment projects that support the goals of the organization. The identification of such projects is an ongoing process and investments will be made as they are identified. In this regard, to enhance the level of utilization of the investment fund, a committee consisting of senior managers both from field operations and UNOPS headquarters is currently working on a clear guidance on eligibility criteria and process on the utilization of

investment funds. This guidance is expected to be put in practice in the fourth quarter of 2015. Further, it should be noted that the formula for calculating the operational reserve is only around two years old and thus, launching a review at this stage would be premature. It should also be noted that the reserve calculation identifies a minimum threshold below which it would be operationally and financially risky for UNOPS to operate.

669. **In paragraph 26, the Board recommended that UNOPS review the basis of its directly attributable support costs and management fees to ensure consistency, equity and transparency in the light of the principles of the new pricing model. In particular: (a) ensure that reporting on the mine action project reflects the scale of directly attributable support costs currently embedded in programme costs in addition to management fees charged; and (b) review recovery rates on individual contractor agreements managed for partners to ensure that charge rates are equitable across partners and better reflect the actual costs incurred.**

Departments responsible:	Executive Office and Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

670. To more clearly highlight the costs noted, individual mine action financial reports are being redesigned for projects that are part of the memorandum of understanding. A new annual consolidated report on all mine action and secretariat activities will also be provided to further support UNOPS values of transparency and consistency.

671. The variation in recovery rates between partners reflects historical agreements signed between UNOPS and partners at that time. An effort by the human resources services cluster of the Global Portfolio Services Office is already under way to review these agreements and ensure that the recovery rates on services provided to partners are in line with the current UNOPS pricing policy and the newly promulgated administrative instruction on partner-managed personnel. It is envisaged that recovery rates should be equitable across all partners, reflecting the actual cost, in addition to the consistent management fee of UNOPS.

672. **In paragraph 33, the Board recommended that management obtain specific independent expert assurance on the integrity of the implementation of the enterprise resource planning system, as well as its progress and the adequacy of its configuration prior to the planned implementation date of each phase.**

Department responsible:	Business Innovation and Improvement Programme
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

673. While UNOPS would ensure that the recommended independent expert assurance is included in its implementation plans in future, it would consider the possibilities of including one in the ongoing phase as such an inclusion might adversely affect the implementation timelines. Moreover, UNOPS believes that the steering committee for the programme, which comprises the senior most managers within the organization, has provided an adequate level of control and monitoring of the current phase.

674. **In paragraph 36, the Board recommended that UNOPS reconfirm the level of expected savings arising from the implementation of the enterprise resource planning system and seek to obtain viable benchmark cost data to inform a review of the realized process cost benefits.**

Department responsible: Business Innovation and Improvement Programme

Status: In progress

Priority: High

Target date: Second quarter of 2016

675. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

676. **In paragraph 39, the Board recommended that UNOPS further explore opportunities to improve business process efficiency by standardizing work practices and processes, delegations of authority and alignment of access rights to improvements in the internal control framework and based on the needs of the business.**

Department responsible: Business Innovation and Improvement Programme

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

677. Improvement of business process efficiency by standardizing work practices and processes has been an integral part of the programme. Work on alignment of access rights to organizational control frameworks has also been conducted and is in the process of being reviewed and finalized.

678. **In paragraph 46, in keeping with gender equality objectives of the United Nations, the Board recommended that UNOPS continue to address the gender imbalance in its workforce and evaluate the impact of its initiatives.**

Department responsible: People and Change Practice Group

Status: Implemented

Priority: High

Target date: Not applicable

679. Addressing the imbalance is an ongoing process and the impact of the initiatives put in place to address it, are being assessed on an annual basis using relevant key performance indicators.

680. **In paragraph 49, the Board recommended that UNOPS examine whether the increases in senior management and international personnel are consistent with its operating model and its capacity-building objective.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

681. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

682. **In paragraph 58, the Board recommended that UNOPS: (a) obtain feedback from practice groups on the performance of the People and Change Practice Group as a business partner; (b) manage and monitor the benefits of recent organizational reforms, including the Global Shared Service Centre; and (c) develop a measure covering the cost-efficiency of the human resources function, such as the human resources staff to workforce ratio.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

683. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

684. **In paragraph 62, the Board recommended that the People and Change Practice Group, working with the practice groups, collect and assess information on the knowledge and experience of its workforce to inform future skills and workforce planning.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

685. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

686. **In paragraph 67, the Board recommended that UNOPS: (a) develop clear business-led criteria for assessing requests from personnel to change engagement terms from staff to an individual contractor agreement; and (b) monitor the impact of this policy on the workforce.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

687. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

688. **In paragraph 70, the Board recommended that UNOPS monitor turnover rates as a result of resignations, to inform its workforce planning.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

689. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

690. **In paragraph 75, the Board recommended that UNOPS: (a) fully test future business case assumptions to ensure they are supported by evidence and adequately reviewed; (b) closely monitor the impact of changes to terms for local individual contractors to ensure that the expected benefits are realized in practice; and (c) implement measures to address the very high turnover levels among international individual contractors, subject to a careful analysis of the causes of turnover and characteristics of such positions.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

691. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

692. **In paragraph 78, the Board recommended that UNOPS continue its work to establish standard job descriptions and terms for senior positions and, once implemented, takes steps to ensure these are used in practice.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

693. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

694. **In paragraph 81, the Board recommended that UNOPS implement a system for reliable reporting and analysis of recruitment processing times, covering the period from when a vacancy first occurs through to the post being filled.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

695. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

696. **In paragraph 84, the Board recommended that UNOPS expand its use of workforce rosters across the business so that it is better placed to recruit and allocate people swiftly in response to business needs.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

697. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

698. **In paragraph 88, the Board recommended that UNOPS evaluate the impact of its recent additional investment in training, including whether the type and distribution of training provided is addressing the gaps between current workforce skills and future business needs.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

699. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

700. **In paragraph 93, the Board recommended that a promotion policy be developed and communicated as soon as reasonably possible. The policy should address key issues such as in what circumstances staff and individual contractors can compete for a position, and when positions should be advertised externally.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

701. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

702. **In paragraph 94, the Board recommended that UNOPS further develop its approach to strategic workforce planning by implementing a more systematic approach to talent management that includes all personnel from all contract modalities.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

703. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

704. **In paragraph 98, the Board recommended that UNOPS: (a) identify ways of disaggregating personnel performance more clearly through performance appraisal; and (b) strengthen underlying systems for identifying and addressing underperformance.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

705. UNOPS acknowledges the recommendation and has commenced working towards addressing it.

706. **In paragraph 101, the Board recommended that UNOPS review the merit award scheme to ensure that it is consistently aligned to the achievement of its objective of a break-even.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

707. UNOPS notes the recommendation and commits to review the merit award scheme to align it to the overall financial objective.

708. **In paragraph 106, the Board recommended that UNOPS should establish clear deliverables to monitor the progress made in implementing the new enterprise risk management plan to the agreed timetable, seeking to prioritize key elements such as the identification of top-level strategic risks and mitigations.**

Department responsible:	People and Change Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

709. The enterprise risk management programme, to be finalized with the adoption of an enterprise risk management programme framework is in progress, and will consist of the implementation of several projects to be delivered in three major tranches as follows: (a) laying the enterprise risk management programme foundation; (b) mainstreaming of enterprise risk management programme; and (c) transition to "business as usual". In preparation for the programme tranches, several activities were undertaken including but not limited to: creation of an enterprise risk management programme unit; the recruitment of selected members for the enterprise risk management programme unit; preparation of the programme brief; and an analysis of the current background and stakeholders' expectations and needs. The Corporate Operations Group endorsed the programme brief, which outlines the scope of the programme and provides a high-level overview of the three tranches, the projects under the respective tranches and their deadlines. Deriving from the programme brief and building on the findings of the gap analysis, a detailed implementation plan with set deadlines will be established and progress will be monitored regularly.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

710. In annex II to its report for the year ended 31 December 2014 (A/70/5/Add.11, chap. II) the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the 22 recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 39.

Table 39

Status of implementation of recommendations from prior periods considered not fully implemented in annex II to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Finance Practice Group	5	1	4	4	–
Sustainable Infrastructure Practice Group	3	–	3	3	–

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Sustainable Procurement Practice Group	8	–	8	8	–
Multiple offices	6	–	6	5	1
Total	**22**	**1**	**21**	**20**	**1**
Percentage	**100**	**5**	**95**		

Report of the Board for the biennium ended 31 December 2011[41]

711. **In paragraph 48, the Board reiterated its previous recommendation that UNOPS: (a) draw lessons from its existing projects and consider measures to enable it to close projects in time; and (b) address the backlog of projects that need closure.**

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

712. The closure exercise is still ongoing and as at 2 July 2015, 154 projects had been closed (28 per cent). The Finance Practice Group, the Integrated Practice Advisory Service and the Sustainable Project Management Practice Group continue to address the remaining backlog, following up with project managers to further reduce the number of projects pending closure. Concurrently, the task force is also making sure that there is timely closure of current projects as they reach their completion stage. As part of this effort, two WebEx sessions focusing on addressing common issues in closing projects and the ways to resolve them were presented by the Finance Practice Group, the Integrated Practice Advisory Service and the Sustainable Project Management Practice Group during the second quarter of 2015. The sessions were attended by 104 participants from various UNOPS offices.

Report of the Board for the year ended 31 December 2012[42]

713. **In paragraph 24, the Board recommended that UNOPS: (a) clearly identify the envisaged benefits from accruals based information and associated revised management procedures; and (b) appoint a senior responsible owner for realizing such benefits and embedding new ways of working across the organization.**

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[41] A/67/5/Add.10, chap. II.

[42] A/68/5/Add.10, chap. II.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

714. Preliminary work on implementing this recommendation was initiated during the second half of 2013 and the systems and tools providing management information were already modified to reflect accrual-based information. UNOPS plans to incorporate the second part of the recommendation in the design and configuration of the new enterprise resource planning system that will be implemented in 2016.

715. **In paragraph 31, the Board recommended that UNOPS establish a separate reserve account for after-service benefits in order to increase the visibility of funding provided for end-of-service liabilities.**

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

716. The implementation of this recommendation has been incorporated into the workplan relating to the takeover of treasury functions from UNDP.

717. **In paragraph 44, UNOPS agreed with the Board's recommendation that it: (a) appoint a fraud risk owner, or senior risk officer, at a suitably senior level, to be accountable for the active management of fraud risks throughout UNOPS activities; (b) perform a comprehensive organization-wide fraud risk assessment to identify the major types of fraud risk that UNOPS faces; and (c) define UNOPS tolerance to various types of fraud risk and ensure that fraud controls are commensurate with that risk appetite.**

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

718. A senior risk officer has been appointed. Regarding the rest of the recommendation, refer to the comments by UNOPS in paragraph 751 below relating to the recommendation in paragraph 75 of the Board's report for the year ended 31 December 2013 (A/69/5/Add.11 and Corr.1).

719. **In paragraph 51, the Board recommended that UNOPS examine the costs and benefits of performing mandatory background checks on all new recruits, vendors and other partners or contractors.**

Departments responsible:	People and Change Practice Group and Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Ongoing

720. Considering the high risk involved in contracting non-performing, barred and/or non-responsible vendors and contractors for goods and services, it has been made mandatory for all vendors who are awarded contracts to be registered in the United Nations Global Marketplace. The Global Marketplace cross-references the mandatory information required for vendors with the following sanction lists: (a) UNOPS ineligibility list, (b) list established pursuant to Security Council resolution 1267 (1999) (companies and individuals related to terrorism), (c) vendors suspended and removed by the United Nations Procurement Division, (d) Consolidated United Nations Security Council Sanctions List, (e) World Bank Corporate Procurement Listing of Non-Responsible Vendors and World Bank Listing of Ineligible Firms and Individuals. The Global Marketplace automatically flags vendors that have been sanctioned and refers the cases to the UNOPS ineligibility administrator for review.

721. Regarding background check on new recruits, considering the cost-effectiveness of such checks, UNOPS performs such checks for specific cases in which it is deemed necessary. UNOPS is in the process of setting up criteria on when and to which positions should such checks apply. However, the service is fully operational and checks are requested and conducted regularly by the service provider.

722. **In paragraph 67, UNOPS agreed with the Board's recommendation that it examine the extent of changes to agreements and the causes of delays in the completion of projects throughout its infrastructure portfolio.**

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

723. Discussions are ongoing with the Business Innovation and Improvement Programme team to include this and other aspects of infrastructure management in the new enterprise resource planning system.

724. **In paragraph 76, UNOPS agreed with the Board's recommendation that its clients be encouraged to accept the inclusion of contingency budget for projects, which might necessitate a corresponding reduction in other components of the budget, in addition to processes for releasing contingency that are acceptable to clients.**

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

725. UNOPS is of the view that the quantification and justification of the values of the required contingency budgets should be from a risk-based perspective. In this regard, the development of a risk-based approach to engagement acceptance is currently under way through a senior managers working group. The output of this working group is expected to provide guidance on quantitative assessments of risk, in monetary terms, early within the project development process. This approach will support discussions with donors and establish the basis for the set-up of a reasonable contingency budget.

726. **In paragraph 82, UNOPS agreed with the Board's recommendation that it develop a mechanism to generate better information on the post-completion performance of buildings.**

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

727. The relevant guidance will be incorporated in the next revision of the design planning manual for buildings, scheduled for release in the second quarter of 2016.

728. **In paragraph 90, UNOPS agreed with the Board's recommendation that it work with its partners to establish processes to better capture information on the outcomes to which UNOPS activities contribute, in particular in terms of project beneficiaries.**

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

729. UNOPS is in the process of establishing a mechanism to report and improve sustainability initiatives using the Global Reporting Initiative framework in addition to the ongoing efforts to incorporate sustainability elements at the planning, assurance and result-based reporting phases of projects. A road map covering the framework for the Global Reporting Initiative and the gap analysis on the current sustainability management system will be produced by the end of 2015. While UNOPS has been continuously improving the usability and design of its existing sustainability toolkits, it is also integrating the measurement of significant sustainability aspects and indicators into its new enterprise resource planning system.

Report of the Board for the year ended 31 December 2013[43]

730. **In paragraph 9, with a view to supporting enhanced accountability and informed decision-making, the Board recommended that UNOPS prepare reports on financial, performance and risk management that include a full analysis and explanation of significant variances.**

Department responsible:	Finance Practice Group
Status:	Implemented
Priority:	High
Target date:	Not applicable

731. In its 2014 midyear review, UNOPS integrated the global portfolio and regional performance with its quarterly assurance and business planning processes. The purpose was to establish a clear link between project and corporate performance, while optimizing the use of corporate tools and systems, and improving the ability of UNOPS to manage performance and risks. Analysis, informed by reports from the management workspace system, and explanation of significant variances was made relevant at each level of the integrated review process. From this extensive review process, key aspects of risk and performance were escalated and eventually discussed in meetings between the regional and global portfolio managers and the Deputy Executive Director, which concluded the midyear review process. Decisions from these meetings, including responses to risks and performance issues, were recorded and shared with the meeting participants.

732. **In paragraph 12, in developing the new enterprise resource planning solution, the Board recommended that UNOPS critically review its accrual accounting treatment and closure procedures to ensure that financial information is available in real time in the management workspace system. In the meantime, the Board recommended that UNOPS continue to enhance the system so that it meets the needs of country offices.**

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

733. UNOPS revised its procedures to permit monthly closure. The implementation of the new enterprise resource planning system will address the low degree of coherence between UNOPS business processes and the enterprise resource planning system, which required that several complexities be built into the reporting systems, such as simulation of accrual for open periods. The formation of the business innovation and improvement programme will facilitate the receipt of functional requirements from the process coordinators and business analysts within the

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[43] A/69/5/Add.11 and Corr. 1, chap. II.

programme, which will enable further improvements to the management workspace system in line with the needs of country offices.

734. **In paragraph 21, the Board recommended that UNOPS review its operational reserves policy and establish, with the approval of its Executive Board, plans for the use of surplus reserve balances.**

Departments responsible:	Executive Office and Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

735. Refer to the comments of UNOPS in paragraph 668 above relating to the recommendation in paragraph 15 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.10, chap. II).

736. **In paragraph 34, the Board recommended that practical steps be taken to implement enterprise risk management strategies, policies and procedures across the entity without further delay. Specifically, UNOPS should: (a) identify, document and assess key risks to achieving strategic objectives; (b) regularly update and monitor risk information that can be aggregated at the entity level; (c) document risk tolerances so that they are understood and applied throughout the organization; (d) use risk registers to record the likelihood of a risk materializing, the impact of the risk, the proposed mitigating actions and the assessed level of risk post-mitigation; and (e) assign risk owners to take responsibility for monitoring and controlling each risk.**

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

737. Refer to the comments of UNOPS in paragraph 709 above relating to the recommendation in paragraph 106 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.10, chap. II).

738. **In paragraph 45, the Board recommended that UNOPS strengthen its performance information, including by reference to what metrics are used by other United Nations entities. In particular, it should: (a) examine the scope for a metric for price and cost competitiveness, based on prices actually paid; (b) review the suitability of the scorecard measures and annual targets and how they can be widened in the future to cover all UNOPS procurement; and (c) include only those measures that can be measured, with clear time frames for targets that are stretching yet achievable.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

739. Taking into consideration the difficulties imposed by the markets in which UNOPS operates on price benchmarking, the Sustainable Procurement Practice Group is developing its own measurement framework, utilizing both quantitative and qualitative factors to assess the cost, speed and quality of the service that is currently being delivered. During this process, UNOPS will be developing new key performance indicator dashboards for each team in the Sustainable Procurement Practice Group. This is due for completion in December 2015.

740. **In paragraph 52, the Board recommended that UNOPS establish ways in which the Sustainable Procurement Practice Group can engage more effectively in the development of local procurement strategies.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

741. UNOPS has refined the collection of global procurement plans. As part of this process, more in-depth analysis and identification of opportunities for supporting procurement strategies at the local level is being undertaken. In addition, knowledge will be shared on the creation of strategies for each procurement category, once they are completed at UNOPS headquarters.

742. **In paragraph 56, the Board recommended that, in order to maximize the benefits resulting from long-term agreements, UNOPS headquarters should work with country offices using aggregated information to identify where regional and global long-term agreements would be mutually beneficial, such as for medical equipment and supplies.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

743. UNOPS has initiated a new approach to procurement category management, through which it will analyse global spend and engage stakeholders, including local offices, on the creation of strategic long-term agreements.

744. **In paragraph 57, the Board recommended that, in order to improve the use of and benefits resulting from long-term agreements, UNOPS collate information on the existence and usage of local and regional long-term agreements available for its use.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

745. UNOPS has initiated a full review of global, regional and local long-term agreements, including those of other United Nations agencies. The Sustainable Procurement Practice Group at UNOPS headquarters has reached out to local offices that have recently created long-term agreements. All such agreements are now recorded in the updated list, thus allowing all personnel to easily access the ones they need. In addition, UNOPS is in the process of implementing a category management approach and will have category managers in the areas of health, infrastructure, technology and general goods and services. A core responsibility of the category managers is to look for opportunities for long-term agreements in their category.

746. **In paragraph 61, in order to strengthen the professionalization of procurement, the Board recommended that UNOPS: (a) use the results of its skills definition and mapping exercise to set out the desired level of training and qualifications for specific procurement roles in UNOPS and identify areas of shortage; and (b) make the sustainable procurement online training course mandatory for all procurement staff within a specified time frame.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

747. A number of the procurement courses identified in the training strategy have already been developed and the roll-out has started. This included trainings on procurement for project managers and procurement operations. Courses for procurement authorities and courses on contracts review committee submissions have been developed and will be rolled out shortly. There is also a face-to-face version of the procurement operations training designed to increase the capacity of procurement officers in field locations. In addition, the online training on sustainable procurement is fully developed, with the number of participants who take this course being one of the key performance indicators in the new balanced score card of the Sustainable Procurement Practice Group.

748. **In paragraph 65, the Board recommended that UNOPS develop a way of monitoring the length of the procurement process, either through the e-procurement or enterprise resource planning systems that are under development and being introduced in 2015 or by distributing a template for capturing procurement information from all centres.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2016

749. These considerations have been taken into account in the design of the e-sourcing and the enterprise resource planning systems that will be launched in 2016.

750. **In paragraph 75, the Board recommended that the UNOPS Internal Audit and Investigations Group, in setting its work programme for 2015, and on the basis of the results of the fraud risk assessment undertaken in 2014, consider carrying out specific audit work to examine controls covering the risk of fraud in procurement.**

Departments responsible:	Sustainable Project Management Group and Internal Audit and Investigation Practice Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

751. The enterprise risk management programme, which will be finalized with the adoption of an enterprise risk management framework, is in progress and will allow UNOPS to look at all the risks it faces across its operations. This includes UNOPS objectives, core processes and relevant dependencies between the objectives and the entities within UNOPS. The implementation of the enterprise risk management programme will also help in addressing this recommendation and informing the audit planning process of the Internal Audit and Investigation Practice Group. In the meantime, the Group is undertaking specific audit work regarding procurement-related fraud risks based on tools and information available to it.

752. **In paragraph 80, the Board recommended that UNOPS carry out structured and regular benchmarking exercises, where feasible, of the prices that it obtains. UNOPS should also obtain feedback specific to procurement from its partners.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

753. UNOPS is in the process of undertaking a competitive tender exercise for long-term agreements for motor vehicles, which is the item accounting for a large proportion of the procurement that is centralized. Benchmarking is planned against this competitive exercise in the first quarter of 2016.

754. **In paragraph 82, the Board recommended that UNOPS take action to strengthen local capacity-building. This could involve sharing good practices such as procedures to reduce non-compliance in tendering.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

755. Through its new category management approach, UNOPS will create Intranet webpages where category-specific knowledge such as specifications, terms of reference, templates and so forth, will be made available. The Sustainable Procurement Practice Group will develop a library of clauses to be used in tenders. UNOPS has also improved the process of capturing and assessing non-compliance in the procurement process through the production of a quarterly report. When the new e-sourcing and enterprise resource planning systems are launched in 2016, there will also be more visibility and transparency in terms of compliance with the Procurement Manual, which will allow UNOPS to provide targeted support.

XV. United Nations Entity for Gender Equality and the Empowerment of Women

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[44]

756. The status of implementation of the main recommendations as at August 2015 is summarized in table 40.

Table 40
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration and Programme Division	2	–	2	2	–
Strategic Partnership	1	–	1	1	–
Total	**3**	**–**	**3**	**3**	**–**
Percentage	**100**	**–**	**100**		

757. The status of implementation of all recommendations as at August 2015 is summarized in table 41.

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[44] A/70/5/Add.12, chap. II.

Table 41
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration	6	–	6	6	–
Programme Support Division	3	2	1	1	–
Strategic Partnership Division	1	–	1	1	–
Division of Management and Administration and Programme Division	2	–	2	2	–
Total	**12**	**2**	**10**	**10**	**–**
Percentage	**100**	**17**	**83**		

758. **In paragraph 15, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) agreed with the Board's recommendation that it ensure that: (a) all relevant data are available at the time of the preparation of the annual workplan; and (b) all field offices establish baselines and targets for all expected outputs, outcomes and indicators in the annual workplan, as required by the Programme and Operations Manual.**

Department responsible:	Programme Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

759. UN-Women informed the Board that the absence of some baseline information and targets noted in three countries (Burundi, Kenya and Malawi) was attributed to the non-availability of data at the time of preparation of the annual workplans. The baselines and targets in the 2014 annual workplan were estimated because data were not available at the time and it required UN-Women to carry out baseline surveys in Eastern and Southern Africa to get relevant data and facilitate the formulation of targets by the Eastern and Southern Africa Regional Office. The annual workplan was therefore approved with the understanding that indicators, baselines and targets would be reviewed and that the missing information will be provided. In May 2014, the Regional Office conducted an annual workplan review meeting, at which the results framework was reviewed. All the outputs, indicators, baselines and targets were reviewed and this has already been taken into account in the annual workplan for 2015 that the Regional Office has finalized, with all baseline information and targets included. Following the review meeting, the Regional Office also developed a system to track progress towards the implementation of its annual workplan.

760. **In paragraph 21, the Board recommended that UN-Women: (a) identify new and strengthen current sources of non-core resources and modalities; and (b) expand and deepen contributions from non-traditional donors, individual donors and UN-Women national committees.**

Department responsible:	Strategic Partnership Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

761. As a result of intensified efforts for resource mobilization at both the headquarters and field levels, UN-Women for the first time since its establishment reached and exceeded its annual funding target for both core and non-core resources for 2014. Voluntary contributions for core and non-core increased from $275 million in 2013 to $323 million in 2014. More than 140 Member States contributed to the core resources of UN-Women, of which 26 contributed for the first time and 44 contributed as part of their multi-year pledges. Total funding from existing and new private sector partners also increased from 2013 levels. The Private Sector Leaders Advisory Council was established with the aim of supporting UN-Women to achieve its fundraising goals and accelerate progress for women and girls worldwide. UN-Women will continue to implement its strategy to: (a) sustain, widen and deepen core contributions from current government donors and engage emerging donors; (b) identify new and strengthen current sources of non-core resources and modalities; and (c) expand and deepen contributions from non-traditional donors, including the private sector, individual donors and UN-Women national committees.

762. **In paragraph 27, the Board recommended that UN-Women continue to review the funding of the after-service health insurance, repatriation benefits and death benefit liability to ensure that the Entity is able to meet maturing obligations.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

763. The significant increase in the total obligation for after-service health insurance resulted from the movement of the discount rate from 5.08 per cent to 4.06 per cent, as the census details were not amended from 2013. Future obligations will also be affected by the staff census as well as movements up or down in the discount and inflation rates. The fund balance of $32.6 million adequately covers the liabilities for current retirees and active employees that are fully eligible. UN-Women will continue to review the funding of its after-service health insurance and repatriation benefits to ensure that it can make payments on liabilities as they fall due.

764. **In paragraph 33, UN-Women agreed with the Board's recommendation that it improve: (a) its management accounts to include information such as monthly analysis and commentary, quarterly reports on investments and financial sustainability for improved decision-making; and (b) its biannual reporting on key financial ratios covering liquidity and asset utilization and financial sustainability.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

765. UN-Women has been preparing monthly management accounts since August 2012. Recent improvements include the following: (a) regular reconciliation of closed general ledger at headquarters for all asset and liability accounts; (b) budget versus actual analysis by expense category, as well as by funding source and cost centre, for all offices by region. Analysis of variances is provided at a higher level with detailed analysis provided, as requested; and (c) cash flow for regular resources showing actual contributions and expenditure to date and projections to financial year-end. UN-Women will further develop and strengthen the monthly management report provided by the Division of Management and Administration to ensure that it contains all the information required for senior management decision-making.

766. **In paragraph 38, the Board reiterated its recommendation that UN-Women: (a) enhance its accountability and monitoring of advances to implementing partners at the project level by verifying the correct use of the funds and the achievement of results and expected outputs; and (b) identify problems and implement the necessary corrective actions with its partners with long-outstanding balances at the end of the period, including recovery of such balances as deemed appropriate.**

Departments responsible:	Division of Management and Administration and Programme Division
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

767. Actions have been taken to strengthen oversight over the long-outstanding advances to implementing partners. A partner training kit has been developed to be used by field offices for training implementing partners to ensure that they have a good understanding of the proper management, monitoring and reporting procedures for accountability for resources. Actions have been taken at several levels within the organization to identify problems and implement corrective actions, including: (a) the Programme Division and the Division of Management and Administration have jointly engaged the regional offices to identify specific challenges being experienced with partners, such as long-outstanding advances, and provide dedicated support in which emphasis is placed on the need to recover balances; (b) UN-Women headquarters has supported a number of countries by providing specific and dedicated training to both the country office staff and their partners to enhance their capacities. These efforts continue to result in reductions of long-outstanding advances to implementing partners.

768. **In paragraph 44, the Board recommended that UN-Women: (a) enhance its efforts in liquidating the long-outstanding advances with implementing**

partners; and (b) ensure that adequate monitoring of implementing partners is conducted by the field offices.

Departments responsible:	Division of Management and Administration and Programme Division
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

769. UN-Women established a new impairment policy based on the ageing of the advances at year-end. Training sessions to assist with more timely liquidation of advances continue to be given to implementing partners and staff. In 2014, in addition to the regular review through month-end closure instructions and the country office assessment tool, the regional offices also intensified oversight of the balances of outstanding advances to country offices.

770. **In paragraph 50, the Board recommended that UN-Women expedite the process of revising its Programme and Operations Manual so that the existing policies and guidance on the capacity assessment processes of government partners and the capacity assessment of the financial and administration capacity aspects of an implementing partner are enhanced.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

771. UN-Women is in the process of revising the programme part of its Programme and Operations Manual to further strengthen the existing policies and guidance on the capacity assessment processes, including the elaboration of capacity assessments of government partners.

772. **In paragraph 54, the Board recommended that UN-Women address all operational weaknesses associated with the disbursement of funds and ensure that all field offices comply with the Programme and Operations Manual in all aspects, including the immediate release of funds after signing the funding agreements.**

Department responsible:	Programme Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

773. The Board's observation on the delays in releasing funds to implementing partners was raised only for the Malawi country office, which is a newly established office. It did not have a delegation of authority at the time and it was being

supported by the Eastern and Southern Africa Regional Office. However, the Malawi country office subsequently received its delegation of authority.

774. **In paragraph 59, UN-Women agreed with the Board's recommendation that it improve its monitoring and control of special service agreements by developing and maintaining an integrated computerized system at the corporate level, in order to obtain centrally the real-time information for all workforces.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2016

775. UN-Women is committed to developing an integrated system to monitor special service agreements, as these are currently not tracked in the Atlas enterprise resource planning system. As an initial solution to enhance monitoring of special service agreements, UN-Women implemented an online dashboard that is available on its Intranet site.

776. **In paragraph 66, the Board recommended that UN-Women: (a) work closely with project auditor(s) to ensure that all project audit reports are submitted before 30 April of each calendar year; (b) consider developing a computerized system that will improve on the efficiency and effectiveness of reporting and monitoring the status of implementation of the project audit recommendations; and (c) work closely with the implementing partners to address the weaknesses identified in the project audit reports, with emphasis on those partners with repeating errors or findings.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

777. UN-Women will work more closely with the project auditors to meet the 30 April deadline for the submission of the final audit reports each year. In line with the procedures already in place, any exception to the compliance with this requirement has to be fully justified and a request should be submitted to the audit coordinator for project audits for a further review and approval by the Director of the Division of Management and Administration. In addition, UN-Women is developing a more interactive computerized system in SharePoint that will improve the efficiency and effectiveness of reporting and monitoring the status of implementation of project audit recommendations.

778. **In paragraph 72, UN-Women agreed with the Board's recommendation that it review and test its disaster recovery plan and thereafter implement a comprehensive disaster recovery plan that will accommodate the entire information system.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

779. UN-Women has recently established a comprehensive disaster recovery plan, which will ensure that individual disaster recovery plans are in place for all critical business systems hosted in the public and private cloud, including the inter-agency Atlas Disaster Recovery Plan, which is tested regularly as part of the Atlas partnership.

780. **In paragraph 79, UN-Women agreed with the Board's recommendation that it: (a) review and update its change management standard and establish system development life cycle standards as an integrated standard document that reflects all required processes; (b) review its information system acquisition, development and implementation processes and strengthen related standards and guidelines for each stage of the process; and (c) improve information and communications technology project management and change management by strengthening the formulation of project proposals or change requests.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

781. The change management standard will be reviewed and updated. A systems development life cycle standard will be established as an integrated standard document that reflects all required process and standards for developing and/or implementing new software and systems in UN-Women. The Entity already has documented standards and guidelines for the acquisition, development and implementation of systems, as reflected in policy documents, including "Information and communication technology strategy", "Information and communication technology governance policy" and "Change management standard" documents. UN-Women will also implement a project and change request workflow application to capture project proposals and change requests, and to automate the complete cycle of request receipt until the request closure.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

782. In the annex to its report for the year ended 31 December 2014 (A/70/5/Add.12, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2015 regarding the seven recommendations assessed as "under implementation" by the Board is summarized in table 42.

Table 42

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration	5	–	5	5	–
Strategic Partnership Division	1	–	1	1	–
Division of Management and Administration and Programme Division	1	–	1	1	–
Total	**7**	**–**	**7**	**7**	**–**
Percentage	**100**	–	**100**		

Report of the Board for the year ended 31 December 2012[45]

783. **In paragraph 41, UN-Women agreed with the Board's recommendation that it develop risk registers at operational levels and a consolidated register at the strategic level. The registers should include categories and the nature of threats that may adversely affect the delivery of its mandate and include possible mitigation strategies.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2016

784. UN-Women formally adopted an enterprise risk management policy, following its review and approval by the senior management team in November 2014. The policy serves as a foundation for the implementation of a risk management approach. It is comprehensive in scope and integrated within the existing governance structure, decision-making processes, activities and processes. The establishment of the policy and procedures makes risk management explicitly part of the accountability system. UN-Women already has in place a corporate risk register, a policy, risk guidelines and an enterprise risk management implementation plan endorsed by management. At the field level, the offices are gradually completing their risk registers. A system is in place as well as a methodical approach to assist offices to fill out their risk registers.

785. **In paragraph 70, UN-Women agreed with the Board's recommendation that it: (a) ensure that the positions held by service contract holders are filled on a timely basis by personnel on staff contracts; (b) assess the current status of staffing at all levels and the impact on the performance of programmes, and find a means of creating a database of prospective applicants who can be**

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[45] A/68/5/Add.13, chap. II.

recruited to fill vacant posts in a timely manner; and (c) institute a follow-up process for officers returning from official travel so that they submit travel claim forms within the specified time.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

786. Parts (b) and (c) of the recommendation have been implemented. With regard to part (a) of the recommendation, service contracts remain a valid contractual modality and will be used for functions that qualify to be under that modality. Adequate guidance is provided to offices to ensure appropriate use of the service contract modality.

Report of the Board for the year ended 31 December 2013[46]

787. **In paragraph 16, UN-Women agreed with the Board's recommendation that it strengthen its resource mobilization activities by expanding and diversifying its resource base through: (a) strengthening and expanding partnerships with bilateral and multilateral donors; (b) developing regionally based fundraising expertise; and (c) approaching socially responsible private sector entities, women's groups and individuals.**

Department responsible:	Strategic Partnership Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

788. Refer to the comments of UN-Women in paragraph 761 above on the recommendation in paragraph 21 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.12).

789. **In paragraph 21, UN-Women agreed with the Board's recommendation that it ensure that all its field offices (regional, multi-country and country offices) develop and implement their own business continuity and disaster recovery plan based on the relevant working environment and monitor their developments.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

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[46] A/69/5/Add.12, chap. II.

790. The UN-Women headquarters business continuity and crisis management plans were finalized in February 2015. UN-Women has engaged a consultant to further the organization's business continuity management processes at all levels, that is, the regional, multi-country, country and programme offices. It is envisioned that all field locations will have completed their respective business continuity plans by the end of 2015. In addition, UN-Women completed the disaster recovery plan for all its corporate information technology systems and it continues to ensure that all its regional, multi-country and country offices finalize their respective specific disaster recovery plans.

791. **In paragraph 51, UN-Women agreed with the Board's recommendation that it: (a) enhance its monitoring of advances to implementing partners to verify the correct use of the funds for achieving results and expected outputs; and (b) identify problems and implement necessary corrective actions with its partners where there are long-outstanding balances at the end of the period (6 months for implementing partners and 12 months for trust fund grants), including recovery of such balances, as appropriate.**

Departments responsible:	Division of Management and Administration and Programme Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

792. In 2014, in addition to the regular review of advances to implementing partners through month-end closure instructions and assessment tools, the regional offices also commenced oversight of the balances of outstanding advances to country offices. Further, the Division of Management and Administration and the Programme Division have sent communications to field offices emphasizing the importance of the liquidation of advances. The two divisions also held meetings with regional offices, to provide support and identify specific issues with the monitoring and liquidation of advances. Specific trainings have been developed to ensure that implementing partners have a good understanding of the management, monitoring and reporting procedures for resources. As at 31 December 2014, there was a 76 per cent reduction in the outstanding advances to implementing partners compared with the previous year.

793. **In paragraph 61, UN-Women agreed with the Board's recommendation that it continuously monitor and perform financial closure of all operationally closed projects within 12 months of operational closure, as required by its financial regulations and rules.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

794. The financial closure of projects that were operationally closed between 2004 and 2011 was completed as at 31 December 2014. The support and monitoring of projects closure has been decentralized to the regional offices, where relevant trainings have been conducted. Trainings for country offices will be undertaken by the end of 2015. Monitoring of project closure is part of the month-end closure instructions to all offices and non-compliance is reported in the monthly management reports to senior management.

795. **In paragraph 72, UN-Women agreed with the Board's recommendation that it provide adequate support to the field offices in order to enhance staff capacities in procurement procedures, including the management of contracting individual consultants and contractors in line with the existing guidelines, and monitor their compliance.**

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

796. In order to align the management of individual consultancy agreements with the recent developments in the United Nations system (e.g., Delivering as One), and in response to the report of the Joint Inspection Unit on the use of non-staff personnel and related contractual modalities in the United Nations system organizations, UN-Women delayed the implementation date for the newly established Individual Contract for Services Guidelines so that relevant offices can address the recommendations of the Joint Inspection Unit. Therefore, the implementation of this recommendation is in progress.

XVI. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[47]

797. The status of implementation of the main recommendations as at August 2015 is summarized in table 43.

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[47] A/70/5/Add.13, chap. II.

Table 43
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	2	–	2	2	–
Total	**2**	**–**	**2**	**2**	**–**
Percentage	**100**	**–**	**100**		

798. The status of implementation of all recommendations as at August 2015 is summarized in table 44.

Table 44
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	3	–	3	3	–
Total	**3**	**–**	**3**	**3**	**–**
Percentage	**100**	**–**	**100**		

799. **In paragraph 18, the Board recommended that the International Criminal Tribunal for Rwanda implement the established measures in accordance with the closure strategy in order to mitigate any risk of further delay in completion of its remaining judicial activities.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

800. The Tribunal continues to review the status of the completion strategy and to implement the relevant measures to mitigate any risk of further delay in completion of its remaining judicial activities with delivery of the final appeal judgement expected in the fourth quarter of 2015.

801. **In paragraph 23, the Board reiterated its recommendation that the Tribunal expedite the work on archive management to effect an orderly transfer to the International Residual Mechanism for Criminal Tribunals.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

802. In the light of the completion strategy, the Tribunal is continuing to transfer records to the custodianship of the Residual Mechanism on a regular basis and the progress of work is continuously being monitored to ensure an orderly transition.

803. **In paragraph 27, the Board recommended that the Tribunal conduct a review of its disaster recovery test procedures and update them to ensure that procedures reflect the current situation of people and technology.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

804. In the light of the completion strategy, the Tribunal agrees with the requirement to ensure that its disaster recovery test procedures remain updated and ensure that they reflect the current situation of people and technology. In particular, the Tribunal continues to improve the existing standard operating procedures that are aimed at mitigating operating risks.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

805. In the annex to its report for the year ended 31 December 2014 (A/70/5/Add.13, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The situation as at August 2015 regarding the four recommendations that were assessed to be "under implementation" by the Board is summarized in table 45.

Table 45

Status of implementation of the recommendations from prior financial periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented/ overtaken by events*	*In progress*	*Target date set*	*No target date*
Registry	4	–	2	2	2	–
Total	**4**	**–**	**2**	**2**	**2**	**–**
Percentage	**100**	**–**	**50**	**50**		

Report of the Board for the biennium ended 31 December 2011[48]

806. **In paragraph 52, the Tribunal concurred with the Board's recommendation that it expedite the work on archive management to effect an orderly transfer to the Residual Mechanism.**

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[48] A/67/5/Add.11, chap. II.

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

807. Refer to the comments of the Tribunal in paragraph 802 above relating to the recommendation in paragraph 23 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.13, chap. II).

Report of the Board for the biennium ended 31 December 2013[49]

808. **In paragraph 23, the Tribunal agreed with the Board's recommendation that it consider preparing formal contingency arrangements for addressing the risks within the timetable for the completion of the Tribunal's mandate.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

809. Refer to the comments of the Tribunal in paragraph 800 above relating to the recommendation in paragraph 18 of the Board's report for the year ended 31 December 2014 (A/70/5/Add.13, chap. II).

810. **In paragraph 31, the Board recommended that the Tribunal develop an efficient acquisition plan that will suit the downsizing and winding-up strategy and reduce the procurement lead time process.**

Department responsible:	Registry
Status:	Overtaken by events
Priority:	Medium
Target date:	Not applicable

811. In the light of the imminent closure of the Tribunal, very few procurement actions remain in progress and support will be provided by the Residual Mechanism for any procurement support required during the liquidation of the Tribunal.

812. **In paragraph 41, the Tribunal agreed with the Board's recommendation that it designate a senior officer who will regularly review the activities of system administrators with dual roles as a control measure to minimize the risks of fraud.**

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[49] A/69/5/Add.13, chap. II.

Department responsible: Registry
Status: Implemented
Priority: Medium
Target date: Not applicable

813. The Tribunal modified the user access rights on the SUN system so that no users, including system administrators, have dual roles any longer.

XVII. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2014[50]

814. The status of implementation of the main recommendations as at August 2015 is summarized in table 46.

Table 46
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	3			3	3	–
Total	**3**			**3**	**3**	**–**
Percentage	**100**			**100**		

815. The status of implementation of all recommendations as at August 2015 is summarized in table 47.

Table 47
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Administration	2			2	2	
Registry	3			3	3	
Total	**5**			**5**	**5**	
Percentage	**100**			**100**		

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[50] A/70/5/Add.14, chap. II.

816. **In paragraph 23, the International Tribunal for the Former Yugoslavia agreed with the Board's recommendation that it implement the established measures to mitigate risk of further delay in completion of its remaining judicial activities.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

817. The Tribunal continues to implement its completion strategy.

818. **In paragraph 26, the Tribunal agreed with the Board's recommendation that it update the inventory of archives and records in order to obtain accurate statistics of the records to be transferred to the International Residual Mechanism for Criminal Tribunals to facilitate resources planning such as space and workforce.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

819. The Archives and Records Section of the Residual Mechanism continues to work with the President's office, the Chambers and the Office of the Prosecutor to complete a full inventory of all records to be transferred to the Residual Mechanism. The Tribunal expects this exercise to be completed in the fourth quarter of 2015.

820. **In paragraph 29, the Tribunal agreed with the Board's recommendation that it ensure that the records and archives working group complete the preparation of the overall plan for the transfer of the Tribunal archives and records within the specified time and communicate that plan to the stakeholders for implementation.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

821. The Archives and Records Section of the Residual Mechanism has completed a draft high-level road map for the transfer of the Tribunal's archives and records, which is due to be presented to the records and archives working group at its next meeting. The Tribunal expects the overall plan to be adopted and will continue to implement the transfer of its archives and records to the Residual Mechanism.

822. **In paragraph 34, the Board recommended that the Tribunal ensure that information regarding the travels of its senior officials is recorded in the**

Absence Management System and that semi-annual reports showing the amount of funds spent on official travels as required by section 3.4 of the administrative instruction on official travel (ST/AI/2013/3 and Amend.1) be prepared and submitted to the Executive Office of the Secretary-General.

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

823. The Tribunal is following up with relevant officials at the United Nations Secretariat to determine the applicability of the Absence Management System to its senior officials.

824. **In paragraph 40, the Tribunal agreed with the Board's recommendation that it: (a) conduct a study of suitable possible locations for the disaster recovery site and reallocate the current off-site data backup location in collaboration with the Residual Mechanism; and (b) revisit its information and communications technology equipment-wiping process to include a requirement to create a report that will list assets identified for disposal and which will record the status of the wiping-out process of those assets.**

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

825. The Tribunal has drafted a high-level business case for the options of its off-site data backup location, which is under consideration by its Information and Communications Technology Committee. The Tribunal expects the business case to be adopted by the Committee in the coming months, to coincide with the upcoming closure of the administration building of the Tribunal and the subsequent movement of staff and equipment to its main building.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

826. In the annex to its report for the year ended 31 December 2014 (A/70/5/Add.14, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The situation as at August 2015 regarding the only recommendation that was assessed to be "under implementation" by the Board is summarized in table 48.

Table 48

Status of implementation of the recommendation from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Administration	1	–	1	–	–	–
Total	**1**	**–**	**1**	**–**	**–**	**–**
Percentage	**100**	**–**	**100**	**–**		

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827. **In paragraph 38, the Tribunal agreed with the Board's recommendation that it: (a) review, test and combine its individual disaster recovery plans into one comprehensive plan that considers all the critical business systems and their dependencies; (b) conduct a periodic review of the audit logs of the databases and improve the system control to protect the audit logs from being manipulated; and (c) conduct meetings regularly, as stipulated in the terms of reference for review and timely prioritization of information and communications technology projects.**

Department responsible:	Division of Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

828. Parts (a) and (c) of this recommendation were assessed by the Board as fully implemented. With regard to part (b) of the recommendation, the Tribunal conducted a review of its audit logs and determined that removing "write" capabilities to the audit logs from the profiles of staff members would solve the problem that was identified by the Board. The Tribunal has now restricted the back-end access to the audit logs to "read-only" and therefore, they cannot be manipulated.

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[51] A/69/5/Add.14, chap. II.